



Capitol Buildings Planning Commission

2006

ANNUAL REPORT

*January 2007
Legislative Council Service
411 State Capitol
Santa Fe, New Mexico*

**CAPITOL BUILDINGS
PLANNING COMMISSION**

**2006
ANNUAL REPORT**

CAPITOL BUILDINGS PLANNING COMMISSION 2006 ANNUAL REPORT

TABLE OF CONTENTS

ANNUAL REPORT

RECOMMENDATIONS FOR 2007 LEGISLATION

STATUTORY AUTHORITY

2006 AGENDAS AND MINUTES

CAPITOL BUILDINGS MASTER PLAN UPDATE - JANUARY 2007

CAPITOL BUILDINGS PLANNING COMMISSION

2006 ANNUAL REPORT

Introduction

Created by the legislature in 1997 to study and plan for long-range facilities needs of state government within Santa Fe, the capitol buildings planning commission's (CBPC) statutory responsibility was to review prior long-range facilities needs assessments and develop an initial master plan for state facilities in Santa Fe. The commission was also required to continue updating the master plan and report annually to the legislature.

In 1999, the commission endorsed a bill to fund a master plan and a repair-and-replacement study. The initial master plan for state facilities in Santa Fe was completed in 2000 and implemented throughout 2001 and 2002.

The initial process developed a long-range facilities master plan for all state agencies in Santa Fe, breaking up the plan into sub-master plans for the five main campuses identified at the time. Additionally, the initial study validated the existing long-range space needs plan and developed an inventory and evaluation of existing state-owned building systems and a plan for long-range repair, renovation and replacement with an anticipated life-cycle rating schedule for existing state-owned buildings. The plan developed alternatives; strategies; site master plans identifying capital needs, costs and ongoing facility management requirements; and potential funding mechanisms to address one of the major considerations emerging from the initial master plan: to reduce the amount of space that the state leases.

In 2002, the statute authorizing the CBPC was amended, extending the commission's authority to include the Albuquerque area in the overall master plan. The initial step in preparing a master plan for state government facilities in Albuquerque was undertaken in 2003 by ARC-Dekker Perich through a data gathering inventory of the facilities in Albuquerque, which included Valencia county. In 2004, the CBPC requested an update of the original Santa Fe master plan, and at that time authorized a full master plan for Albuquerque. **Senate Bill 332 (Laws 2004, Chapter 123)** appropriated \$250,000 to provide funding for the master plan.

During the 2005 interim, the master plan consultants completed questionnaires and interviews for most state departments and agencies located in the Santa Fe and Albuquerque areas and incorporated the metropolitan area of Albuquerque within the state master plan. Preliminary findings were offered to the CBPC for consideration. In 2006, the master planners were directed

by the CBPC to include the department of transportation (DOT) and the cultural affairs department (CAD) data into the master plan. Some initial data have been collected and incorporated.

The creation of several state campuses in the Albuquerque metropolitan area has been proposed, along with the possibility of having a super block site in Albuquerque where the current youth development and diagnostic center (YDDC) facility is located. Implications for a super complex in Santa Fe have been developed as well. The initial proposal for a super complex in Santa Fe recommended consolidation of a number of human services agencies, operations and functions to create "one-stop shopping" for services and to realize economic efficiencies through economies of scale and asset sharing.

In 2006, the CBPC directed further evaluation of a super block site in Albuquerque and certain state land holdings in Los Lunas as possible locations for development of state campuses. Additionally, the CBPC requested assessments of other owned and leased sites in Albuquerque.

The voters approved Constitutional Amendment Number 2 in the 2006 general election, which authorizes the state to enter into lease-purchase agreements. The CBPC has endorsed proposed legislation for this type of agreement for state buildings, which is to be introduced in the 2007 legislative session.

Also, during the 2007 legislative session, the CBPC will be supporting legislation to expand its authority over state facilities and the master plan.

Membership

The commission is composed of 11 members consisting of four members of the legislature, two from each house, appointed by the New Mexico legislative council, the secretary of general services, the staff architect of the property control division (PCD), the secretary of transportation, the secretary of cultural affairs, the secretary of finance and administration, the commissioner of public lands and the chair of the supreme court building commission or their respective designees. Representative Ben Lujan, speaker of the house, and Arturo Jaramillo, secretary of general services, co-chaired the commission during the 2006 interim.

Other commission members who served during the 2006 interim include retired Senator Joseph A. Fidel, Senator Stuart Ingle, Representative Ted Hobbs, Secretary of Finance and Administration Katherine Miller, Secretary of Cultural Affairs Stuart Ashman, Secretary of Transportation Rhonda Faught, Commissioner of Public Lands Patrick Lyons, Administrative Office of the Courts Director Gina Maestas and Antonio Pares, staff architect, PCD, general services department (GSD).

Effective January 2007, Representative Thomas C. Taylor replaced Representative Ted Hobbs and Senator Ben D. Altamirano replaced Senator Fidel, who retired in November 2006.

The legislative council service, in coordination with the GSD, provides staffing assistance for the commission.

The commission is pleased to submit its annual report to the legislature and the governor.

Master Planning

During the 2006 interim, the contracted master plan consultants, Architectural Research Consultants — Dekker/Perich/Sabatini Association (ARC), updated the commission on the consultants' progress with the Albuquerque and Santa Fe master plans, including the completion of questionnaires and interviews from state departments and agencies and the development of implications for a super complex and a super block site.

ARC's analyses determined that a **super complex in Santa Fe** would improve public accessibility, create more common space, relieve crowding in existing facilities and allow vacating currently leased space, which costs \$14.4 million annually in the Santa Fe area. The proposal would consolidate a number of agencies, operations and functions to create "one-stop shopping" for services and realize economic efficiencies through economies of scale and asset sharing. The project has received support from the CBPC, and there is funding in place for the design phase. GSD/PCD has issued a request for proposals (RFP) and selected a design consultant.

ARC projected that the growth of the Albuquerque area will continue, as will the needs of state government and facilities to house departments and agencies for service delivery, and the need for state office space will double in 40 years, assuming a 1.5 percent annual growth rate. ARC proposed several state campuses in the Albuquerque area: one central campus near the I-25 and I-40 interchange, and four separate campuses in each of the four quadrants of the Albuquerque area. One way to proceed is to take advantage of lease-purchase abilities, recently authorized by Constitutional Amendment Number 2, which received voter approval in the 2006 general election.

The consultants were directed to evaluate the super block potential of the YDDC site in Albuquerque and the state land holdings in **Los Lunas** as possible locations for development of state campuses. Initial findings were reported in 2006 and again in January 2007. It was reported that keeping YDDC at its current site may not be best for long-term land use, and the state may want to consider that site for redevelopment. Additional problems at YDDC are facility deficiencies projected to exceed \$25 million.

More planning work needs to be done, and due to the anticipated expenditure of all planning funds in fiscal year 2007, the CBPC has endorsed legislation to appropriate additional funding for future years of master planning and to expand CBPC authority to other areas where state facilities exist or are needed, including Las Cruces.

The consultants were directed to assess the Albuquerque government center (the former Bernalillo county metropolitan court) and the Bank of the West facility at San Mateo and Central in Albuquerque. Originally, the government center was recommended for renovation, but it would cost nearly \$7 million. It may be possible to sell or trade the property because of the facility's prime location with excellent access to the downtown area. Another option includes renting it "as is". The CBPC has endorsed legislation to authorize these options.

The Albuquerque master plan looked at leased space, which accounts for \$12.6 million of the cost to the state annually. One major lease brought to the attention of the commission was the Bank of the West building, whose owners are paid \$3.1 million annually in lease payments. The owners have approached the state with an offer to sell. The state occupies the majority of the space in this building. In response to the recommendations of the consultants, PCD will be doing more due diligence on the Bank of the West facility.

Another item of discussion is the property on south Galisteo road in Santa Fe. The state owns 4.5 acres (the remainder of a 5.611 acre parcel), and the PCD has no current plans for this property. It has been recommended for sale or trade for property adjacent to existing state property. The CBPC endorsed moving forward with this proposal, contingent upon final review and approval by the CBPC.

Other issues discussed include:

- the impact of the DOT's transit-oriented design on the south capitol campus plan;
- storage and warehouse issues included in the master plan;
- the need for a potential central warehousing facility;
- the need for additional and larger meeting areas as well as a proposed parking structure at the capitol complex; and
- the need for additional PCD staff for master planning and asset management.

The CBPC has endorsed the proposal for additional PCD resources.

Specific Building Acquisitions and Project Status

Senate Bill 182 (Laws 2001, Chapter 166) authorized the PCD to acquire buildings and land in Santa Fe county for use as state office buildings as recommended in the master plan. The New

Mexico finance authority (NMFA) was authorized to issue up to \$75 million in revenue bonds for the purchase of the properties.

Additionally, **Senate Bill 214 (Laws 2001, Chapter 199)** created a financing source for the state office building acquisitions in the State Office Building Acquisition Bonding Act. This act earmarked a distribution of state gross receipts tax, up to \$500,000 per month, to buy and build state office buildings and authorized the NMFA to sell state office building tax revenue bonds to acquire the state office buildings authorized in Senate Bill 182. The NMFA issued the first series of the state building acquisition revenue bonds, totaling approximately \$34.7 million, on December 13, 2001.

The PCD and the NMFA continue to implement the provisions of legislation passed in 2001, which authorized and funded the acquisition of property and buildings in Santa Fe. On January 12, 2007, the specific buildings and properties authorized by that legislation had the below noted status.

◆ **National Education Association (NEA) Building**

Acquisition of this building was recommended in the initial master plan and was completed on schedule. NEA temporarily leased office space from the state and vacated in August 2005. The building was renamed the Concha Ortiz y Pino building and houses the office of the state engineer and the governor's office of homeland security.

◆ **West Capitol Complex**

The complex was recommended in the initial master plan. The facility most recently constructed at the site was named the Toney Anaya building, which houses the regulation and licensing department and the aging and long-term services department.

In the 2007 legislative session, the PCD is requesting \$5 million to acquire approximately 11 acres of U.S. general services administration and U.S. forest service property located adjacent to the west capitol campus. The acquisition would allow the state to have a contiguous campus from Cerrillos road to Siringo road and allow the state to build facilities to move agencies out of leased space.

◆ **Public Employees Retirement Association (PERA) Building Purchase**

In December 2004, a negotiating group was appointed from the commission to meet with a negotiating group from the PERA board. A meeting was held on January 3, 2005 to continue discussions regarding the purchase of the PERA building by the state. **House Bill 1045 (Laws 2005, Chapter 147)** authorized the PERA board to acquire land and construct a new building to house the association, if the existing PERA building were sold. This measure also provided the authority to use the proceeds of the sale of the existing PERA building to design and construct a

new building for the PERA, which will be held as a trust asset in the PERA's name.

Representatives from the commission and PERA worked throughout the 2005 interim to establish and implement a proposed process to be followed regarding the purchase of the PERA building. The commission heard testimony that an agreement had been reached on the base price for the value of the PERA building and land. Bonds totaling \$25 million were sold by the NMFA to fund the entire purchase and facility upgrades. At the August 2006 commission meeting, the PCD and PERA informed members that the two parties were closing on the purchase sometime in the following two weeks; however, the closing was delayed and did not occur until December 1, 2006.

A full facility assessment has been completed and only minor renovation is needed before agencies can begin moving in. Operational management of the facility will transition to the building services division staff of the GSD. Under the current agreement, PERA has 30 months to vacate the building and make it available to the PCD. The PCD is planning to have the public regulation commission move into the facility once PERA has vacated. In the long term, the facility will be used to house agencies currently residing in expensive leases, thereby easing the operational costs of those agencies. However, a decision by PERA on which state property to select for its new facility is still pending.

◆ **Super Complex — Land Purchase**

The 2001 legislation provided for the purchase of land adjacent to the DOT district 5 office on Cerrillos road. The 2004 legislature amended **Laws 2001, Chapter 166** to expand the Jaguar drive definition. The amendments increased the available property that could be considered for purchase and required that necessary infrastructure be in place. The purchase of subject property, adjacent to the public safety campus in the Valdes industrial park, was approved by the state board of finance on January 10, 2006.

The commission was presented with implications for a super complex upon the completion of questionnaires and interviews by the consultants. The consultants determined through their analysis that a super complex would improve public accessibility, create more common space, relieve crowding in existing facilities and vacate currently leased space. The PCD has contracted with SMPC AE firm for the programming phase for the super complex in Santa Fe. The PCD considered Valdes industrial park property as the initial prime location for the complex; however, the AE will perform due diligence to determine the best location for the complex. Other locations could be presented as recommendations. One million eight hundred thousand dollars is currently appropriated for this project, which should fund the first phase of programming. The GSD/PCD will be requesting \$80 million in the 2008, 2009 and 2010 legislative sessions.

Other Projects

◆ Labor Department Building

House Bill 545 (Laws 2004, Chapter 63) approved the sale of the labor department building in Santa Fe and authorized the proceeds of the sale to be used for the purchase of a new building. The GSD has advertised for requests for interest (RFIs) for the sale of this property. In August 2006, the PCD reported that the labor department was reconsidering the move, but a final decision is still pending.

◆ Capitol Complex Parking in Santa Fe

Senate Bill 289 (Laws 2005, Chapter 320) authorized the PCD to spend bond proceeds to plan, design, construct and equip a parking structure on the central capitol campus in Santa Fe in coordination with the New Mexico legislative council, contingent upon approval from the CBPC and in conformance with the CBPC-approved master plan. An estimated \$8 million is available for partial funding of the proposed structure. The CBPC directed the PCD to move forward on development of an RFP for the planning, design and initial construction of a parking structure. In the 2007 legislative session, additional funding is being requested to cover full construction costs for the project.

◆ Scientific Laboratory (Tri-Lab)

Senate Bill 289 (Laws 2005, Chapter 320) and **House Bill 885 (Laws 2005, Chapter 347)** authorized partial funding for a replacement facility for the state laboratory (tri-lab) on the university of New Mexico (UNM) campus in Albuquerque. There is an estimated \$30 million shortfall in funding for the project. The commission heard testimony during the 2005 interim that the tri-lab purchase agreement had been drafted and the site selected was to be on the UNM campus near Carrie Tingley hospital and the cancer research center, which would provide the labs with access to I-25. In January 2007, PCD reported that the site is off the UNM power grid, so the facility will have to provide its own power plant. The escalation in construction costs over the last few years is the primary cause for the shortfall, along with the increase in facility size and related per square foot costs, which were used to develop the original estimates for the project several years ago. Early estimates were about \$280 per square foot; now they are reaching \$400 per square foot. The project will need appropriate certifications to meet the Governor's Executive Order 2006-001 and to reach 50 percent energy efficiency, which was not originally planned for the facility. Additionally, the tri-lab is designed to be approximately 185,000 square feet with BSL 3 Lab capability to meet certification requirements and to provide worker and public safety. This is up from 160,000 square feet. Since the project is currently in the design development phase and is expected to go to bid in September 2007, it is critical that the estimated shortfall of \$30 million be appropriated this session. Recognizing the critical nature of this project, the CBPC endorsed making a legislative request for the funding.

◆ **Coughlin Building**

This building is located on the site for the capitol complex parking structure and is being considered for purchase by the state. Both the executive and legislative finance committee (LFC) budget recommendations propose a \$1.5 million appropriation to complete the purchase.

◆ **Villagra Building in Santa Fe**

A new building, adjacent to the Villagra building, was completed in 2006, renamed the Paul Bardacke attorney general complex and occupied by the office of the attorney general and staff. The Villagra building is still being renovated. The space vacated in the Bataan building by the attorney general has been filled by the CAD.

◆ **Albuquerque Court of Appeals Building**

During 2005, the commission heard a presentation from the state court of appeals proposing that a new court of appeals building be located on the UNM campus near the school of law. The supreme court building in Santa Fe currently houses the supreme court, court of appeals and administrative office of the courts and has no room for expansion even though the space needs of the courts continue to grow. The commission heard testimony that the costs for construction of the new court of appeals would not include land costs and that UNM would provide a long-term lease. Also, the proximity to the law school would provide the court with access to the school's library, and Albuquerque's centralized location would be an added convenience for the residents of New Mexico who use the court of appeals. The building is estimated to cost just over \$12 million, including modern court security standards and furniture. In 2006, \$1.2 million in capital outlay funding was authorized for planning and design of the new facility, and NCA Architects have been selected. The LFC is recommending \$11.2 million in the 2007 session to construct the facility.

The commission also heard testimony about the effect a relocation of the court would have on its employees. Commissioners learned that a majority of court of appeals employees commute from Albuquerque and are in favor of the proposal. A limited court of appeals presence would be maintained in Santa Fe so that employees who live there would not have to commute or relocate. Timing of construction of the building would depend upon the UNM board of regents' decision on where to locate the building.

Repair of Historic Buildings Under the Cultural Affairs Department

The commission recommended and the legislature enacted **Senate Bill 332 (Laws 2004, Chapter 123)** to eliminate the CAD's access to bond proceeds for maintenance and repair funds. According to the CAD secretary, the department has 53 buildings statewide (soon to be 60), many of which are not under the control of the PCD. More than \$13 million in deferred maintenance needs were identified for these buildings prior to the 2006 legislative session. In

that session, the secretary requested the commission to consider drafting legislation to create a fund for historic CAD buildings in Santa Fe that are in need of maintenance and repair. In 2006, the CBPC supported an appropriation request of \$7.775 million for maintenance and repairs of state museums and monuments. Two million dollars for maintenance and repairs were approved. The CAD has submitted additional requests for \$8.1 million in funding for the 2007 legislative session. The LFC recommendation supports this request as does the CBPC.

Department of Transportation (DOT) Facility

The DOT continues to operate its facilities outside of the CBPC master planning process, although the DOT has reported to the commission on its long-range plans after construction projects were discussed during the 2006 interim.

◆ General Office Transit Oriented Development (GOTOD) at Headquarters on Cerrillos and Cordova Roads in Santa Fe

The DOT has been working independently of the commission master plan efforts to find a way to convert the department's most valuable asset, the headquarters site, approximately 25 acres at Cerrillos and Cordova roads, into a new headquarters building. During the 2005 interim, the DOT reported to the commission that it was moving forward with its transit-oriented design/development (TODD) with key concepts that include mixed uses (retail, housing and office space, for example) and multimodal transit components.

At the August 30, 2006 meeting of the CBPC, DOT representatives discussed the status of a proposal to allow access by a developer to the existing general office commercial property in exchange for a new general office facility on a different location at the same site and, in an amount not to exceed \$90 million, a multimodal transportation facility with a commuter rail train station and the ability to accommodate bus, vehicle, pedestrian and bicycle traffic and parking. In exchange, the DOT will allow the developer to create a master plan and develop the entire property for retail and other commercial use. Two offerors, SCS Development, LLC, and South Capital Station, LLC, submitted proposals. SCS Development, LLC, was designated the top-rated proposal by the selection committee. The DOT will enter into negotiations with the top-rated offeror, targeting a contract date of March 15, 2007. The DOT's goal is to have agreements with developers for the project completed this calendar year.

◆ District 5 Commercial Property Site

The DOT will provide development access to the existing district 5 commercial property site at Cerrillos road and Jaguar drive in Santa Fe. The Jaguar development group has proposed

utilizing the existing 42-acre/43-acre site along with additional acreage the group has under private contract that adjoins the site for a total of approximately 60 acres of retail development. As part of its proposal, the group is planning to develop a 260-acre site adjacent to the southern boundary of the existing national guard armory south of Santa Fe on the frontage road, upon which the new district 5 office would be constructed on a 50-acre parcel of the site.

◆ **DOT and the Corrections Department (CD)**

The DOT is in discussions with the CD regarding a workforce housing project that could be part of the 260-acre development upon which the district 5 offices might be located. The discussions include the GSD/PCD, NMFA and department of finance and administration. This proposal could provide an opportunity for the CD to team with the DOT on that project and a mechanism for developing water infrastructure for the projects.

Attachments:

Recommendations for 2007 Legislation

CBPC Statutory Authority

CBPC Agendas and Minutes

Capitol Buildings Master Plan Update - January 2007

**CBPC
RECOMMENDATIONS
FOR 2007
LEGISLATION**

2007 LEGISLATIVE INITIATIVES

Approved by the Capitol Buildings Planning Commission

January 2007

1. CAPITOL BUILDINGS PLANNING COMMISSION (CBPC). Amend the statute authorizing the CBPC to extend the commission's authority to include the Las Cruces area and other areas in the overall master plan. Appropriate \$350,000 to fund the continuation of master planning for state-owned facilities.
2. LEASE-PURCHASE ENABLING LEGISLATION. Support enabling legislation to implement the provisions of Constitutional Amendment 2 (2006), which authorized the state to enter into lease-purchase agreements.
3. GALISTEO PROPERTY, SANTA FE. Support legislation authorizing the sale or trade of the Galisteo property for another property adjacent to existing state property in Santa Fe, contingent upon review and approval by the CBPC.
4. ALBUQUERQUE STATE GOVERNMENT CENTER, ALBUQUERQUE. Support legislation authorizing the lease of the property "as is" or the sale or trade of the property.
5. COUGLIN BUILDING, SANTA FE. Support the executive's and the Legislative Finance Committee's recommendations to appropriate \$1.5 million from the general fund to purchase the only site not owned by the state on the capitol campus, where a potential parking structure would go west of the State Capitol.
6. CAPITOL CAMPUS PARKING STRUCTURE, SANTA FE. Appropriate funding to complete the planning, design and construction of a capitol campus parking structure.
7. WEST CAPITOL CAMPUS PROPERTY, SANTA FE. Appropriate \$5 million from the general fund to acquire approximately 11 acres of U.S. General Services Administration and U.S. Forest Service property located at the west campus location to allow the state to have a contiguous campus from Cerrillos Road to Siringo Road in Santa Fe.
8. PROPERTY CONTROL DIVISION. Support the LFC's recommendation for an appropriation of \$191,300 from the general fund to the Property Control Division of the General Services Department for FY08 to establish a master planning and asset management function (3.00 FTE additional) for the needs of the state government facilities under the purview of the CBPC and to obtain associated hardware and software to maintain an updated master plan.
9. SCIENTIFIC LABORATORY (TRI-LAB), ALBUQUERQUE. Endorse the funding for the completion of the facility (\$30 million).

STATUTORY AUTHORITY

ARTICLE 10
Capitol Buildings Planning Commission
Section

15-10-1 Capitol buildings planning commission created.

15-10-1. Capitol buildings planning commission created.

A. The "capitol buildings planning commission" is created to study and plan for the long-range facilities needs of state government in Santa Fe and Albuquerque. The commission shall review prior long-range facilities needs assessments and develop an initial master plan for the state facilities in Santa Fe and Albuquerque.

B. The commission shall be composed of four members of the legislature, two from each house, appointed by the New Mexico legislative council, the secretary of general services, the New Mexico staff architect, the secretary of highway and transportation or his designee, the state cultural affairs officer or his designee, the secretary of finance and administration or his designee, the commissioner of public lands or his designee and the chairman of the supreme court building commission or his designee.

C. The legislative council service shall provide staff for the commission in coordination with the staff of the general services department.

D. The commission shall meet regularly and shall report annually to the legislature on an annual update of the master plan for the long-range facilities needs of state government in Santa Fe and Albuquerque.

History: Laws 1997, ch. 178, § 5; 2002, ch. 69, § 1; 2003, ch. 110, § 1.

The 2002 amendment, effective May 15, 2002, inserted the references to Albuquerque in Subsections A and D; and inserted "regularly" in Subsection D.

The 2003 amendment, effective June 20, 2003, inserted "the secretary of highway and transportation or his designee, the state cultural affairs officer or his designee" following "New Mexico staff architect" in Subsection B.

**2006 INTERIM
AGENDAS
AND MINUTES**

**TENTATIVE AGENDA
for the
CAPITOL BUILDINGS PLANNING COMMISSION**

**August 30, 2006
State Capitol, Room 317**

Wednesday, August 30

1:30 p.m. **Call to Order**
—Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair
—Representative Ben Lujan, Speaker of the House, Co-Chair

Adoption of the January 10, 2006 Meeting Minutes

Status of Albuquerque Master Plan and Update of the Santa Fe Master Plan
—John Petronis, Architectural Research Consultants (ARC)
—Andy Aguilar, ARC

PERA Building Purchase Update
—Bill Taylor, Property Control Division Director, GSD
—Terry Slattery, Executive Director, PERA

Property Control Division — Other Projects — Status
—Bill Taylor, GSD

**Department of Transportation (DOT) Project Updates – Transit-Oriented
Development**
—Tom Church, Acting Deputy Secretary, DOT

Public Comment

Other Business

Adjourn

**MINUTES
of the
FIRST MEETING
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**August 30, 2006
Room 317, State Capitol
Santa Fe**

The first meeting during the 2006 interim of the capitol buildings planning commission (CBPC) was called to order by the co-chairs, Representative Ben Lujan, speaker of the house of representatives, and Arturo Jaramillo, secretary of general services, on Wednesday, August 30, 2006, at 1:45 p.m. in room 317 of the State Capitol.

PRESENT

- ◆ Representative Ben Lujan, Speaker of the House, Co-Chair
- ◆ Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair
- ◆ Tom Church for Rhonda Faught, Secretary, Department of Transportation (DOT)
- ◆ Representative Ted Hobbs
- ◆ Senator Stuart Ingle
- ◆ Emilio Martinez for Stuart Ashman, Secretary, Cultural Affairs Department (CAD)
- ◆ Sam Ojinaga for Katherine B. Miller, Secretary, Department of Finance and Administration (DFA)
- ◆ Jeff Varela, Administrative Office of the Courts (AOC)

ABSENT

- ◆ Senator Joseph A. Fidel
- ◆ Patrick Lyons, Commissioner, State Land Office (SLO)

STAFF

- ◆ Paula Tackett, Director, Legislative Council Service (LCS)
- ◆ Sharon Ball, LCS
- ◆ Jeremy LaFaver, LCS
- ◆ Linda Kehoe, Legislative Finance Committee (LFC)
- ◆ David Abbey, LFC
- ◆ Wayne Propst, LFC
- ◆ Pat McHenry, GSD
- ◆ Bill Taylor, Property Control Division (PCD), GSD
- ◆ Andy Aguilar, Architectural Research Consultants (ARC)
- ◆ John Petronis, ARC

Speaker Lujan and Secretary Jaramillo, co-chairs, welcomed commission members.

Status of Albuquerque Master Plan and Update of the Santa Fe Master Plan

Mr. Petronis and Mr. Aguilar, ARC, provided updates to the commission on the master plans for Santa Fe and Albuquerque. They indicated that questionnaires and interviews have been completed for state departments and agencies; that implications for developing a super-complex have been examined; and that Secretary Jaramillo, GSD and LCS staff have been briefed on the preliminary updates. One of the general issues that they highlighted was the large amount of private leases that are costing the state \$14.4 million annually in the Santa Fe area.

Mr. Petronis and Mr. Aguilar discussed some of the opportunities and drivers of the proposed super-complex. Through their analysis, they have determined that it will improve public accessibility, create more common space, relieve crowding in existing facilities and vacate currently leased space.

Among the other issues that the ARC consultants discussed were the impact of the DOT's transit-oriented design on the south capitol campus plan; storage and warehouse issues included in the plan; and the need for a potential central warehousing facility. LCS staff have worked with ARC to address the need for additional and larger meeting areas as well as the proposed parking structure. The consultants also indicated that additional PCD staff are needed for master planning and asset management.

Overall, the consultants stated that the Santa Fe master plan is in pretty good shape and is now a working document and resource tool for the commission and staff.

Mr. Aguilar and Mr. Petronis continued their presentation with a discussion of the Albuquerque master plan. They stated that the major issue in Albuquerque is the large amount of leased space and the recurring cost to the state of \$12.6 million. One of the state leases is for the Bank of the West building on the corner of Central and San Mateo. The state currently leases space in the building for \$2.5 million annually, and the owner of the facility has approached the state with an offer to sell. The state currently leases the majority of the space at this site.

Regarding the issue of the state government center, formerly the Bernalillo county metropolitan court, the consultants stated that it is their recommendation that the state should either commit resources for renovation or consider divesting this property through sale or trade. According to ARC, the facility is in a prime location with excellent access, but currently requires major upgrades to make it ready for tenants.

Other locations that were discussed were the site of the Youth Diagnostic Development Center (YDDC) and the rail line accessibility to that site, the Los Lunas hospital site and the grasslands area north of Los Lunas along the interstate. ARC suggested that the current YDDC site might be the best for long-term land use for state facilities and that the state may want to consider that site for redevelopment, thus moving YDDC to a more appropriate site. Additional problems at YDDC are facility deficiencies costing between \$20 million and \$24 million. Mr. Aguilar and Mr. Petronis also said that the grasslands site has potential to meet long-term state

development needs, but that there have been offers from outside groups to purchase that site for a variety of uses.

ARC projects that the growth of the Albuquerque area will continue, as will the needs of state government and facilities to house departments and agencies for service delivery. Mr. Aguilar and Mr. Petronis stated that the need for state office space will double in 40 years, assuming a 1.5 percent annual growth rate. ARC proposes several state campuses in the Albuquerque area: one central campus near the I-25 and I-40 interchange, and four separate campuses in each of the four quadrants of the Albuquerque area. One way to continue to make this happen would be to take advantage of the lease-purchase abilities if the constitutional amendment passes in the fall.

ARC staff said they will continue to update LCS and PCD staff regarding the Santa Fe capitol campus and to refine the database of state occupant needs and potential state campus locations and occupants in Albuquerque.

PERA Building Purchase Update

Mr. Taylor and Terry Slattery, executive director, public employees retirement association (PERA), gave a brief update of the PERA building purchase. They told the commission that the two parties are closing on the purchase sometime in the next two weeks. Mr. Taylor said that a full facility assessment has been completed and only minor work will need to be done to the building before agencies can begin to move in. Bonds totaling \$25 million were sold by the New Mexico finance authority to fund the entire purchase and facility upgrades. Under the current agreement, PERA has 30 months to vacate the building and make it available to PCD. PCD is planning on having the public regulation commission move into the facility once PERA has vacated. In the long term, the facility will be used to house agencies that currently reside in expensive leases, thereby easing the operational costs of those agencies.

Commission members thanked PCD, GSD and PERA staff for the work they have done on completing this acquisition. They noted that this work completes the four major projects in the State Building Bonding Act.

Property Control Division – Other Projects – Status

Mr. Taylor said that PCD will be requesting budget expansions for its offices in Santa Fe, Albuquerque, Los Lunas and Las Cruces in the upcoming legislative session.

PCD staff are currently working to purchase the Coughlin building on the main capitol campus in Santa Fe. The purchase of this property will complete the central campus and enable the state to redevelop that block. The property was appraised at \$1.1 million in 2000 and the current asking price is \$1.3 million. GSD is requesting a \$1.5 million appropriation to acquire the facility. GSD is also requesting \$4.8 million to acquire land at the west capitol campus for agencies to vacate expensive leases.

Mr. Taylor indicated that GSD is looking at Valdez park property for the super-complex as identified in the master plan.

Answering a question from Ms. Tackett, Mr. Taylor said the labor department is now considering staying in its facility; however, its plan has changed several times within the past several years and may change again.

Mr. Taylor said the Galisteo property at the corner of St. Michael's and St. Francis drives in Santa Fe is now vacant and that it may be possible to construct a motor vehicle division (MVD) office there to move MVD out of a leased facility. Speaker Lujan said the state purchased that property for use by the state records center and archives, but those state agencies never moved into those facilities. He directed PCD staff to obtain some appraisal figures on the property and report back to the commission with recommendations.

The discussion of Santa Fe properties ended with the proposal to move the state treasurer's office back to the central campus in Santa Fe. Speaker Lujan indicated that the legislature was opposed to moving that office away from the campus and would like to facilitate its migration back.

The discussion then focused on areas in and around Albuquerque. The former metro court facility was discussed again, and it was mentioned that GSD will request \$7 million for renovations. Speaker Lujan asked how much it would cost for demolition. Mr. Taylor said it would be approximately \$2 million.

Mr. Taylor listed the appropriation requests that would be made for real estate in the upcoming legislative session. Commission staff indicated that the total request would be approximately \$54.3 million.

** Secretary Jaramillo made a motion for GSD and ARC staff to explore movement of YDDC as well as the Bank of the West purchase as a potential for a central campus. The motion was seconded by Representative Hobbs and passed without opposition.

** Mr. Martinez made a motion for ARC to look at a variety of uses for the grassland area in Los Lunas, including its potential for housing YDDC, for other future development and for use as educational farmland. The motion was seconded by Representative Hobbs and passed without opposition.

Mr. Taylor continued the discussion of potential projects, focusing on the Las Cruces area. GSD has completed the planning phase for a Las Cruces site, and the architect for the project has indicated willingness to give a presentation to the commission. GSD is requesting \$10 million to finalize the design.

Department of Transportation Project Updates – Transit-Oriented Development

Lawrence Barreras, DOT, gave a brief presentation regarding the transit-oriented development project. DOT has proposed to provide access to the existing general office commercial property site to a developer for a new general office facility on a different location at the same site. In return, the developer will provide a multimodal transportation facility with a commuter rail station and the ability to accommodate bus, vehicle, pedestrian and bicycle traffic and parking. DOT will allow the developer to create a master plan and develop the entire property for retail and other commercial use. To date, two developers, Hunt Development and Santa Fe Properties, have proposals that are under review. Senator Ingle requested information on the two developers, and Mr. Barreras agreed to provide that information to the commission. To conclude his presentation, Mr. Barreras said DOT's goal is to have agreements for the project this calendar year.

Public Comment

Jim and Roxanne Wagner, Wagner Farms, gave a brief presentation to the commission on Wagner Farms, an education-based farm company. They are requesting that the grasslands area outside of Los Lunas be used as an educational farm.

Mr. Taylor said that the area had been used as a sod farm during the previous administration and that Mr. Wagner's proposal would be part of future recommendations for that site.

Adjournment

The meeting adjourned at 4:05 p.m.

Revised: January 11, 2007

**TENTATIVE AGENDA
for the
SECOND MEETING
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**January 12, 2007
Room 321, State Capitol
Santa Fe**

Friday, January 12

3:00 p.m.

Call to Order

- Arturo Jaramillo, Secretary, General Services Department, Co-Chair
- Representative Ben Lujan, Speaker of the House, Co-Chair

Adoption of the August 30, 2006 Meeting Minutes

Status of Albuquerque Master Plan and Update of the Santa Fe Master Plan

- John Petronis, Architectural Research Consultants (ARC)
- Andy Aguilar, ARC

Santa Fe Parking Garage — Report

- John Petronis, ARC
- Andy Aguilar, ARC

Property Updates and Project Status

- Bill Taylor, Director, Property Control Division (PCD)
 - Update on property acquisitions
 - Albuquerque scientific laboratory update
 - Galisteo appraisal data

Lease Purchase Enabling Legislation Options Based on November 7, 2006

Passage of Constitutional Amendment

- Bill Taylor, PCD
- Paula Tackett, Director, Legislative Council Service (LCS)
- Gary Carlson, LCS

Proposed Legislation

Review of Draft Annual Report

Public Comment

Other Business

Adjourn

**MINUTES
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**January 12, 2007
State Capitol, Room 321
Santa Fe**

The January meeting of the of the Capitol Buildings Planning Commission (CBPC) was called to order by Speaker Ben Lujan and Arturo Jaramillo, secretary of the general services, co-chairs, on January 12, 2007 at approximately 3:15 p.m. in Room 321 of the State Capitol.

PRESENT

- ◆ Representative Ben Lujan, Speaker of the House of Representatives, Co-Chair
- ◆ Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair
- ◆ Senator Ben D. Altamirano
- ◆ Rick Martinez for Katherine B. Miller, Secretary, Department of Finance and Administration (DFA)
- ◆ Representative Thomas C. Taylor
- ◆ Stuart Ashman, Secretary, Cultural Affairs Department (CAD)
- ◆ Gary Giron for Rhonda Faught, Secretary, Department of Transportation (DOT)
- ◆ Della Gutierrez for Patrick Lyons, Commissioner of Public Lands, State Land Office (SLO)
- ◆ Arthur W. Pepin, Director, Administrative Office of the Courts (AOC)

ABSENT

- ◆ Senator Stuart Ingle

STAFF

- ◆ Paula Tackett, Director, Legislative Council Service (LCS)
- ◆ Roxanne Knight, LCS
- ◆ Gary Carlson, LCS
- ◆ Bill Taylor, Director, Property Control Division (PCD), GSD
- ◆ Larry Miller, PCD, GSD

Speaker Lujan and Secretary Jaramillo, co-chairs, welcomed commission members. Representative Thomas C. Taylor was appointed to replace Representative Ted Hobbs and Senator Ben D. Altamirano was appointed to fill the position held by Senator Joseph A. Fidel. Arthur W. Pepin joined the commission as the new director of the Administrative Office of the Courts.

The first order of business was the unanimous adoption of the August 30, 2006 minutes.

Status of Albuquerque Master Plan and Update of the Santa Fe Master Plan

John Petronis and Andy Aguilar, Architectural Research Consultants (ARC), updated the commission on the master plans for the Albuquerque metropolitan area and Santa Fe. They provided a summary handout and reviewed each page of the document (see the meeting file).

They reported that questionnaires and interviews for state departments and agencies have been completed for both areas. Summaries have been developed for existing space use, staffing, future programs and services, location and relationships and functional and physical issues.

The planners have developed the implications for the "super-complex" project in Santa Fe, prepared preliminary updates for each capitol campus and prepared the capitol parking structure siting analysis. The super-complex was proposed for the Valdes Industrial Park property on South Cerrillos Road; however, in the request for proposals (RFP) from PCD, the successful proposers are directed to evaluate and make preliminary recommendations on other locations as well as on the appropriateness of a super-complex.

For Albuquerque, the planners have completed site tours and collected necessary existing planning data, completed supply and demand analysis and planning opportunities and identified issues to be reviewed as part of the master planning process.

Additional studies have been conducted in response to directives received from the CBPC in the August 30, 2006 meeting. They include:

1. providing PCD with what is required to perform due diligence activities for the potential purchase of the Bank of the West building in Albuquerque;
2. providing a critical overview and evaluation of the "super block" complex at the YDDC site in Albuquerque with regard to potential state uses and investigating potentially new locations for the YDDC functions; and
3. providing an initial investigation on development options for state property in the Los Lunas area.

General goals of the Albuquerque area are to co-locate state agencies to achieve functional, operational and logistical efficiency and allow one-stop-shopping for services by the public (e.g., the super-block proposal and consolidation of agencies in the Bank of the West property); to realize economic efficiencies through promotion of economies of scale and asset sharing (e.g., parking, lobbies, receiving, meeting areas, teleconferencing, etc.); to reduce long-term leases; to reduce operational expenses; and to provide long-term asset value. The planners reported more specifically on the following projects.

- **Bank of the West**

This site, located at Central and San Mateo, accounts for approximately 20 percent of the total leased square feet (lsf) and cost in the Albuquerque area: on 11 acres and, as reported by the

PCD staff, at an annual lease cost of \$3.1 million. The bulk of the space is for parking. There are currently seven owners of this property. There is additional land in the area, which might become available for purchase by the state. The bank site is for sale at \$30 million. Several questions have been raised as a result of initial due diligence, and they will need to be addressed.

The planners outlined the due diligence process, and acquiring the Bank of the West was endorsed by the CBPC, provided that the due diligence turns up no adverse factors that would militate against its purchase.

- Super Block Complex (YDDC site)

This site consists of two parcels, 76 and 15 acres, with 262,000 gsf occupied by correctional/treatment facilities. The planners have examined the potential of the site for meeting the goals of improving public accessibility, creating more common space, relieving crowded spaces in existing facilities and allowing agencies to vacate currently leased space. Although the positive aspects of the property include its proximity to the freeway and a rail line, there is no proposed rail stop planned for this location. There are some potential development and redevelopment options, but there are some weaknesses in the slope on the site and the age and condition of the facilities. Other negative aspects include the significant facility deficiencies identified (estimated costs exceed \$25 million) and the replacement costs for YDDC and Sequoyah, which could be \$65 million. Current correctional/treatment usage is probably not the best long-term land use for this site. Mr. Taylor noted that the site would require significant site work and cost in order to use the space. There has been some discussion with Bernalillo County about using the 15 acres of the western-most site for a retention pond.

The CBPC directed that more due diligence and master planning is needed. PCD staff also indicated that more staff resources would be needed at PCD to move forward on this project. ARC was directed to do more in-depth master planning for this site.

- Los Lunas Sites

PCD recommended that Los Lunas be considered in conjunction with the more detailed Albuquerque master plan of the YDDC site. There are 325,500 gsf on approximately 184 acres of the former hospital site, 280 acres of grasslands nearby and 1,000 acres of vacant New Mexico Corrections Department property. Most of the acreage at the former hospital site is vacant. There are significant facility deficiencies costing \$51.6 million, with a \$68.5 million replacement cost.

Both the super-block (YDDC) and Los Lunas sites have great long-term development potential. Further planning does require more in-depth analysis, and the CBPC wants to be sure that Los Lunas planning is incorporated and coordinated by the planners into the Albuquerque metropolitan area master planning related to the YDDC site.

The CBPC directed Mr. Petronis to prepare a cost proposal for the additional analysis, which needs to be reviewed to determine if sufficient funding is available or if an additional

appropriation will be necessary during the 2007 legislative session.

- State Government Center (former Metropolitan Court)

This is a site (approximately 65,000 gsf on one acre) given to the state by Bernalillo County. Discussion by the CBPC noted that the facility is not one that the state would have been likely to purchase because of the high cost for renovation work and the shortage of parking (only 31 spaces). The state would have to invest approximately \$7 million in renovations to make it ready for tenants or it should consider divesting the property through a sale or trade. The facility is in a prime location with excellent access to courts and local government offices.

After commission members discussed the situation, it was determined that divesting or trading the property should be allowed, particularly if the state cannot find a lessee willing to lease the facility "as is". Staff were directed to draft legislation authorizing the sale or trade of the property and to allow the lease of the property "as is".

- Las Cruces Metropolitan Area

Las Cruces shares similar issues with Albuquerque, including a significant amount of leased space for state government offices and a limited amount of state-owned facilities (e.g., 230,000 lsf costing \$1.8 million and ownership of 20,000 gsf at three facilities). A new state building is recommended for this area.

The CBPC supports legislation to expand its statutory authority to include the Las Cruces metropolitan area in order to examine and validate the state's capital needs in the state's third largest metropolitan area and coordinate potential funding with overall state goals. Staff were directed to draft the necessary legislation.

Capitol Campus Parking Structure Alternatives — Report

Mr. Petronis reviewed the handout on the main capitol campus parking structure, including various siting alternatives and associated capital costs, as well as future operating cost implications and a possible implementation schedule for construction. The site is west of the State Capitol between Don Gaspar and Galisteo streets. The options include size differences ranging from 400 to 600 car capacities. Other options take into consideration future buildings on the sites, vehicular access, visual impact on the capitol complex, buffer zones, construction costs and long-term maintenance and operational costs.

There was discussion about the need for expediency in the design, planning and construction of the parking complex, and Speaker Lujan asked if a three-dimensional artist rendition could be done to make selection easier for the CBPC. So far, \$8 million in funding is appropriated; however, an additional \$10-20 million would be needed to complete construction, depending on the design selected.

PCD was directed to proceed with the RFP for planning and design of the parking structure. At the request of Speaker Lujan, ARC planners were asked to prepare some preliminary three-

dimensional artist renditions.

There was discussion about potential usage or operation of the structure by the city and county of Santa Fe. There was also discussion about other state entities proposing parking facilities.

Staff were directed to coordinate the commission's efforts with other entities.

Secretary Ashman raised a concern about temporary parking during the construction phase. Ms. Tackett noted that construction times need to take into consideration legislative session time frames.

Staff was directed to move forward on the analysis of the capital outlay funding in order to determine how to proceed with the funding request.

Property Updates and Project Status

Mr. Taylor provided an update on statewide property projects and concerns under the purview of the CBPC. The discussion is summarized below.

1. Property acquisition and disposition.

In Santa Fe:

PERA Building: PCD closed on the PERA purchase on December 1, 2006. The property now belongs to the state. Building Services Division (BSD) has taken full responsibility for operations of the facility and is working through the transition from PERA staff to GSD. This project is part of the capitol buildings master plan.

Coughlin Building: The property is being appraised, and it should be completed by mid-February 2007. PCD has submitted a capital improvement plan (CIP) for \$1.5 million to purchase the property. The purchase of this property will complete the central campus and free the state to redevelop that block. The property was appraised in 2000 at \$1.1 million and the current asking price is \$1.3 million. This project is part of the capitol buildings master plan.

Staff were directed to include this as part of the legislative recommendations endorsed by the CBPC.

West Capitol Campus Property: PCD is requesting funding of \$5 million to acquire approximately 11 acres of GSA and U.S. Forest Service property located at the west capitol campus location to allow the state to have a contiguous campus from Cerrillos Road to Siringo Road. This will also allow the state to build out facilities to move agencies from leased space to state-owned. Land acquisitions at the west capitol campus are part of the capitol buildings master plan recommendations.

The CBPC endorsed this proposal.

Galisteo Property: PCD acquired 5.611 acres of vacant property in 1996 for \$1.23 million. The property is located on South Galisteo Road in Santa Fe. A trade of 1.1 acres for office space was made with the district court. The remaining 4.5 acres are vacant and have a current estimated value of \$2.744 million. PCD does not have any current plans or direction for this property. The PCD recommendation is to trade or sell the property for property adjacent to existing state property in Santa Fe.

The CBPC indicated its support for this proposal, and directed staff to draft the appropriate legislation, leaving the final action of a trade or sale contingent upon CBPC review and approval.

In Albuquerque:

Albuquerque state government center (ASGC), the former old metro court: The title was transferred to PCD in 2005, once the new metro court was built. This is a multilevel facility consisting of 67,000 square feet of courtroom space with a 31-space parking lot. The facility is currently vacant and offers minimal opportunity for state operations. PCD is requesting either funding to facilitate the renovations and build out the facility for occupancy or authorization to sell or trade the property.

The CBPC directed staff to draft legislation to authorize the sale or trade of the property or the lease of the property "as is".

Super block (YDDC site): Discussion from the last CBPC meeting was in the order of due diligence regarding the current use of the property as a correctional facility and plans for the possible location of a state campus for administrative and public services. Initially, extensive programming will be required to plan for the relocation of existing programs and change in use of the property. PCD does not currently have the resources to perform this action and recommends funding for the development of a master plan for that site.

Bank of the West: PCD included a CIP request during the 2007 session for \$36 million to acquire the Bank of the West property. The current appraised value is \$34.6 million. The state is currently paying \$3.1 million in annual rent for office space and storage at this facility. There is 26,731 square feet of space that is vacant and available and only 4,000 square feet of that space is leased to non-state entities with one- to five-year options. Mr. Taylor noted that the landlords put on a new roof in November 2005 and replaced the chiller system for an estimated \$500,000. PCD is just starting due diligence.

The CBPC directed the continuance of due diligence, with PCD needing to determine if additional resources are needed for this purpose.

2. Projects related to the master plan:

In Santa Fe:

Super complex: PCD has contracted with SMPC AE firm for the programming phase for the super complex in Santa Fe. The Valdes Industrial Park property was the initial prime location for the complex; however, the AE will perform due diligence to determine the best location for the complex. Other locations could be presented as recommendations. One million eight hundred thousand dollars is currently appropriated for this project, which should fund the first phase of programming. GSD/PCD will be requesting \$80 million from the 2008, 2009 and 2010 legislative sessions.

In Albuquerque:

State scientific lab: PCD is requesting \$30 million to complete the construction of the new state scientific lab on the University of New Mexico (UNM) campus in Albuquerque. The project is currently in the design development phase and is expected to be bid in September 2007. The funding shortfall is primarily due to the escalation in construction costs over the last two years. In addition, the site location is off the UNM grid, and the facility will have to provide its own power plant. The project will need appropriate certifications to meet the Governor's Executive Order 2006-001 to reach 50 percent energy efficiency, which was not originally planned for the facility. The lab will be approximately 185,000 square feet with BSL 3 Lab capability to meet certification requirements and to provide for worker and public safety. Mr. Taylor noted that this is a critical project to fund.

The CBPC endorsed this project and the funding for its completion.

Las Cruces:

State office building: PCD is requesting \$40 million to acquire land, design, equip and construct a new state office building located in downtown Las Cruces.

The CBPC endorsed the need to include Las Cruces as part of the state's master planning.

Los Lunas Campus:

Mr. Taylor discussed the relocation of Department of Health operations, and briefly mentioned the need for including this within the Albuquerque metropolitan area master planning efforts.

Mr. Taylor noted that PCD is asking for three additional employees and \$191,300 to expand its operating budget and address future project needs.

The CBPC endorsed the funding request for additional staff in PCD.

Representative Taylor asked Mr. Taylor about the follow-up request made in the August 30, 2006 meeting by Senator Ingle with regard to the Department of Transportation's (DOT) transit-

oriented development project on the DOT site near Cerrillos and Cordova roads in Santa Fe.

As noted in the August 30, 2006 minutes of the CBPC, the DOT has proposed that it will provide the developer access to the existing general office property site for developing a new general office facility at the site and a multimodal transportation facility with a commuter rail train station and the ability to accommodate bus, vehicle, pedestrian and bicycle traffic parking and in exchange for up to \$90 million. DOT will allow the developer to create a master plan and develop the entire property for retail and other commercial use.

Deputy Secretary Giron responded that an RFP was issued on November 17, 2005 and that SDF Development Group, owned by Gerald Peters, has received the award. The first meeting was held on January 4, 2007, and the target date for the contract is March 15, 2007. Representative Taylor asked about the plans to connect the rail station to the capitol complex, and Lawrence Barreras from DOT responded that there are ongoing discussions with the City of Santa Fe. In response to questions, Deputy Secretary Giron said that the buildings at DOT will be razed and replaced.

Proposed Legislation

Mr. Carlson and Ms. Tackett reviewed a bill draft (202.164763.2) that requires the approval of the legislature for state agencies to enter into certain lease-purchase agreements, and that requires, in certain cases, that the titles to property be issued in the name of the PCD. This legislation is necessary to establish a procedure for lease-purchase of buildings for the state, as was authorized in Constitutional Amendment 2 in the 2006 general election.

The CBPC endorsed this legislation and directed staff to proceed with it.

Annual Report

The CBPC approved the draft annual report in concept and directed staff to finalize the document.

Public Comment

There was no public comment offered.

Other Business

There was no other business discussed.

The CBPC adjourned at 5:20 p.m.

**CAPITOL
BUILDINGS
MASTER PLAN
UPDATE
JANUARY 12, 2007**

State of New Mexico Capitol Buildings Master Plan

Santa Fe and
Albuquerque
Metropolitan Area
Overview

January, 2007



The ARC – Dekker/Perich/Sabatini Association

Contents

- ✓ **Background**
- ✓ **Santa Fe Area Overview**
- ✓ **Albuquerque Metropolitan Area Overview**

Capitol Buildings Master Plan

- ✓ **Initial plan for state-owned facilities in Santa Fe was initiated in 1998 and adopted by the CPBC in 2000**
 - ▶ *Developed general space use policies including location criteria for state agencies*
 - ▶ *Prepared development campus framework for each site*
 - ▶ *Made recommendations for short-term priorities*
 - ▶ *Prepared space standards*
 - ▶ *Prepare space moves analysis*
- ✓ **An overview of the Albuquerque Metro area was developed in 2003**

Background

✓ Current Planning Activities

- ▶ *Update the Existing Master Plan for State-Owned facilities in Santa Fe*
- ▶ *Complete a comprehensive Master Plan for State-Owned facilities in the Albuquerque Metro area*
- ▶ *Develop a plan for periodic updating and maintenance of the Master Plan, along with a plan to transition long-term ownership and maintenance responsibility of the Master Plan database from the contractor (ARC/DPS) to GSD/PCD*

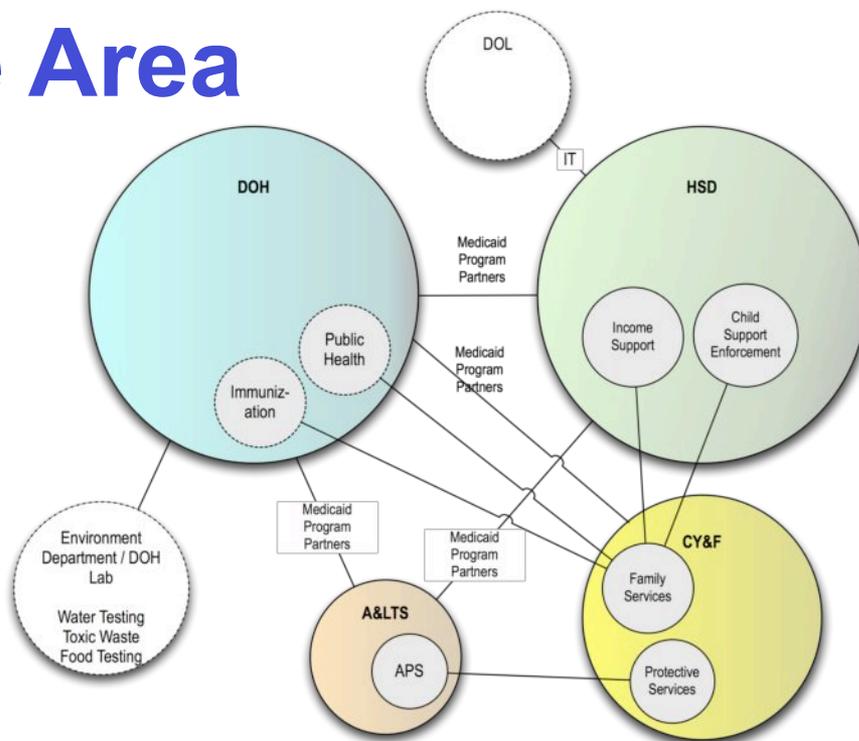
Santa Fe Area

✓ General Issues

- ▶ *Large amount of private leases*
- ▶ *Number and variety of physical and functional issues (including multiple locations)*
- ▶ *Public accessibility (access to services)*

Santa Fe Area

- ✓ A possible strategy to address some of these issues is the proposed ‘super complex’
- ✓ Drivers / Opportunities
 - ▶ *Improve public accessibility*
 - ▶ *Foster interaction/collaboration at the administrative level*
 - ▶ *Provides opportunities to share “common” space*
 - ▶ *Provides opportunities for mixed uses*
 - ▶ *Vacates leased space*
 - ▶ *Relieves crowded existing conditions*
 - ▶ *Makes space available for another use in existing buildings*



Goals

- ✓ *Consolidate for operational/functional efficiencies*
- ✓ *Co-locate to generate program synergy and allow one-stop-shopping for services, and*
- ✓ *Realize economic efficiencies through economies of scale and asset sharing*

Size

- ✓ *400-600,000 gsf*
- ✓ *15 - 37 acres site (depending on parking)*

Capitol Parking Structure Siting

- ✓ **The legislature appropriated funds to construct a parking structure at the Capitol Campus**
- ✓ **ARC investigated siting options for this structure in coordination with the Capitol Master Plan**
- ✓ **Adopted Capitol Master Plan identifies several possible future parking structure locations**
 - ▶ *Planners are currently examining possible updates to this plan, primarily revisiting location and nature of potential parking structures (underground vs. above ground)*
 - ▶ *However, both the existing plan and current planning updates agree that the first parking structure should be located west of the capitol on the block bordered by South Capitol on the north, Paseo de Peralta on the South, Don Gaspar on the East, Galisteo on the West*

Location

✓ Advantages of this site include:

- ▶ ***Clear ownership by the state of the majority of the site [one site is currently under negotiation for purchase] – can be developed immediately, unlike other potential sites***
- ▶ ***No known cultural sites (but any development in the Capitol area may uncover unknown cultural resources)***
- ▶ ***General proximity to the Capitol***
- ▶ ***Flexibility to implement a variety of schemes (above /below or combined structure)***
- ▶ ***Ability to integrate with long-range redevelopment of Concha Ortiz y Pino Building (NEA) site***

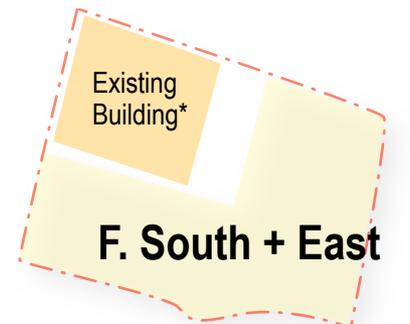
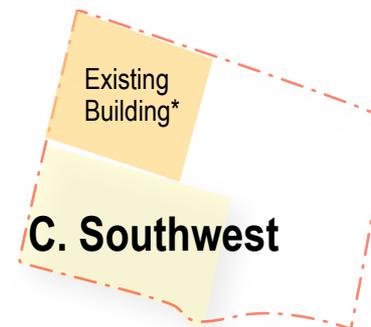
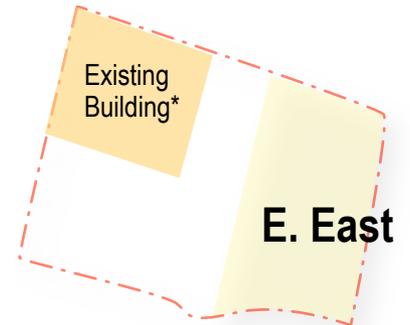
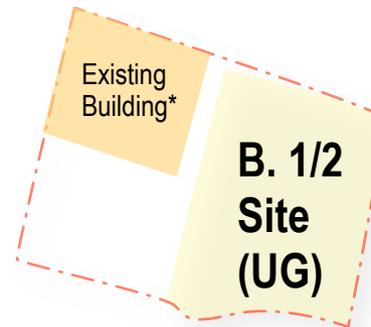
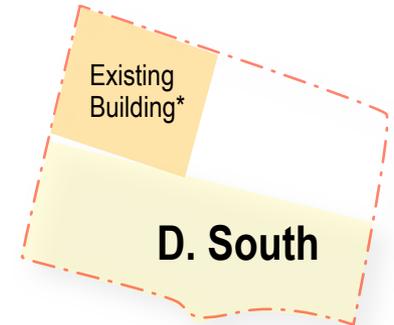


**Recommended
Parking Structure
General Location**

Parking Structure Siting Options

✓ The ARC/Dekker team

- ▶ *Prepared conceptual site plans for each option with estimated construction costs*
- ▶ *Explored the option of connecting the new parking structure by a tunnel to the Capitol*
- ▶ *Identified operating cost impacts*
- ▶ *Prepared a preliminary schedule*



*Concha Ortiz y Pino (NEA)

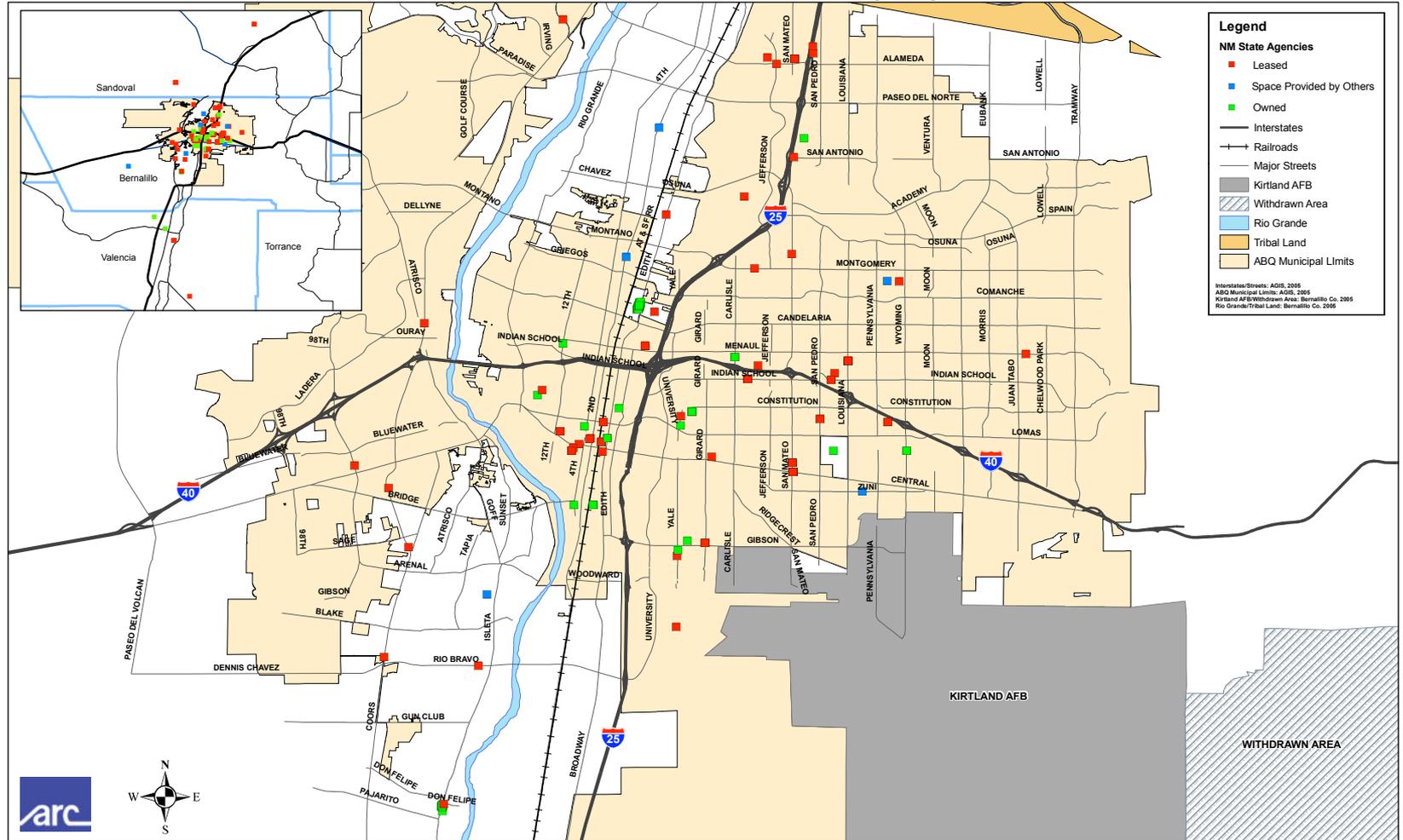
Santa Fe Area

✓ Other issues

- ▶ ***Need for additional PCD staff for master planning and asset management***
- ▶ ***DOT/TOD impact on South Capitol Campus Plan***
- ▶ ***Storage / Warehouse (amount of independent storage)***
 - *21,400 lsf in 26 scattered leased storage facilities*
 - *\$266,000 / year lease cost*
 - *Possibility of a central storage / warehouse site?*

Albuquerque Metropolitan Area

Locations of State Facilities in the Albuquerque Area



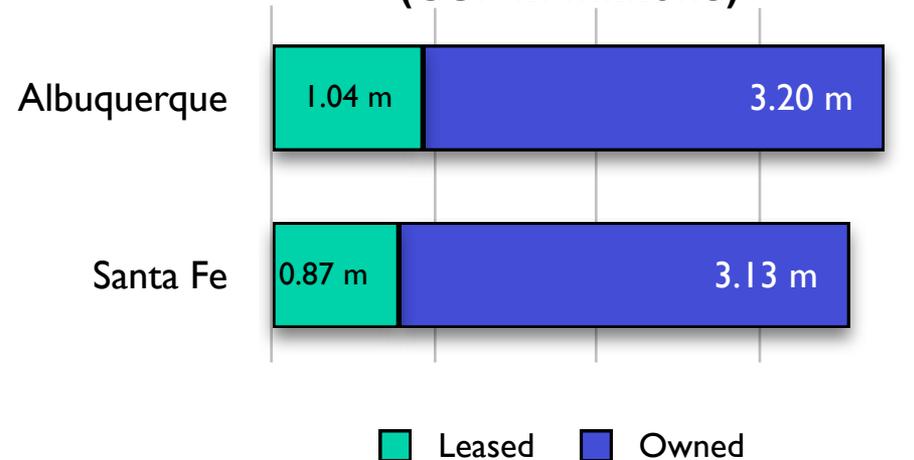
Albuquerque Metropolitan Area

✓ Existing Facilities

▶ **~4.2 million square feet**

- Office Uses
 - Nearly all of leased space
 - ~30% of owned space

Space Use in Albuquerque and Santa Fe (GSF in millions)



	Owned		
	Gross Square Feet	USF Equivalent**	% Total GSF
PCD Albuquerque Area*	1,340,788	871,512	41.9%
02 Bernalillo County	547,607	355,945	17.1%
14 Valencia County	779,476	506,659	24.3%
29 Sandoval County	13,705	8,908	0.4%
Other Agencies (Bernalillo)	1,860,829	1,209,539	58.1%
DOT	72,250	46,963	2.3%
Expo NM	1,362,099	885,364	42.5%
DMA	44,112	28,673	1.4%
DCA	382,368	248,539	11.9%
Total	3,201,617	2,081,051	100.0%

Office Space	409,045	22.0%
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Leased				
USF	LSF	GSF Equivalent	Annual Cost	% Total USF
677,195	859,761	1,041,839	\$12,569,427	100.00%
637,949	805,000	981,461	\$11,749,387	93.63%
22,936	32,864	35,286	\$477,110	3.82%
16,310	21,897	25,092	\$342,930	2.55%
677,195	859,761	1,041,839	\$12,569,427	100%

623,714	789,450	959,561	92.1%
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*About 30% of PCD "owned" space is categorized as an Office Use

**Assumes 65% ratio of USF to GSF

Albuquerque Metropolitan Area

✓ Own

- ▶ *Typically acquired for specialized uses, in concert with federal resources or “inherited”*

✓ Lease

- ▶ *Mostly office type of uses*
- ▶ *Many leases are supplemented or paid for by federal dollars*
- ▶ *Mostly Field Type of Offices Serving the Metro Area*
 - *Functions that serve public from a central location*
 - *Distributed – field offices located to be close to populations served*
 - *Functions with special location requirements*

✓ Provided by others

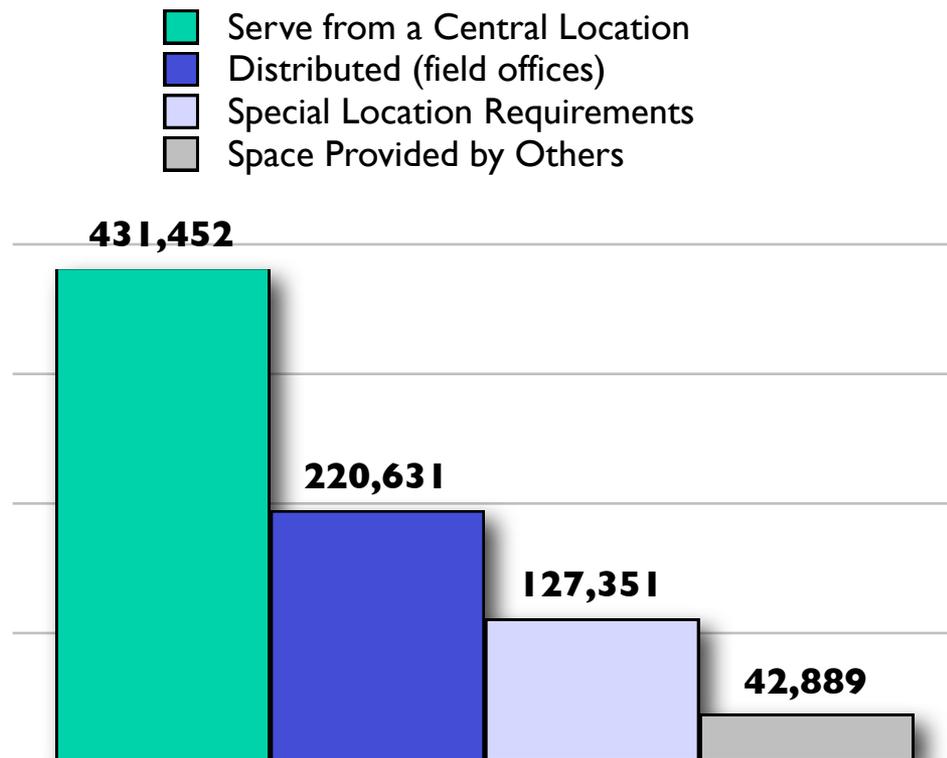
- ▶ *Typically DOH public health type of facilities provided by the County*

Albuquerque Metropolitan Area

✓ Leased Space

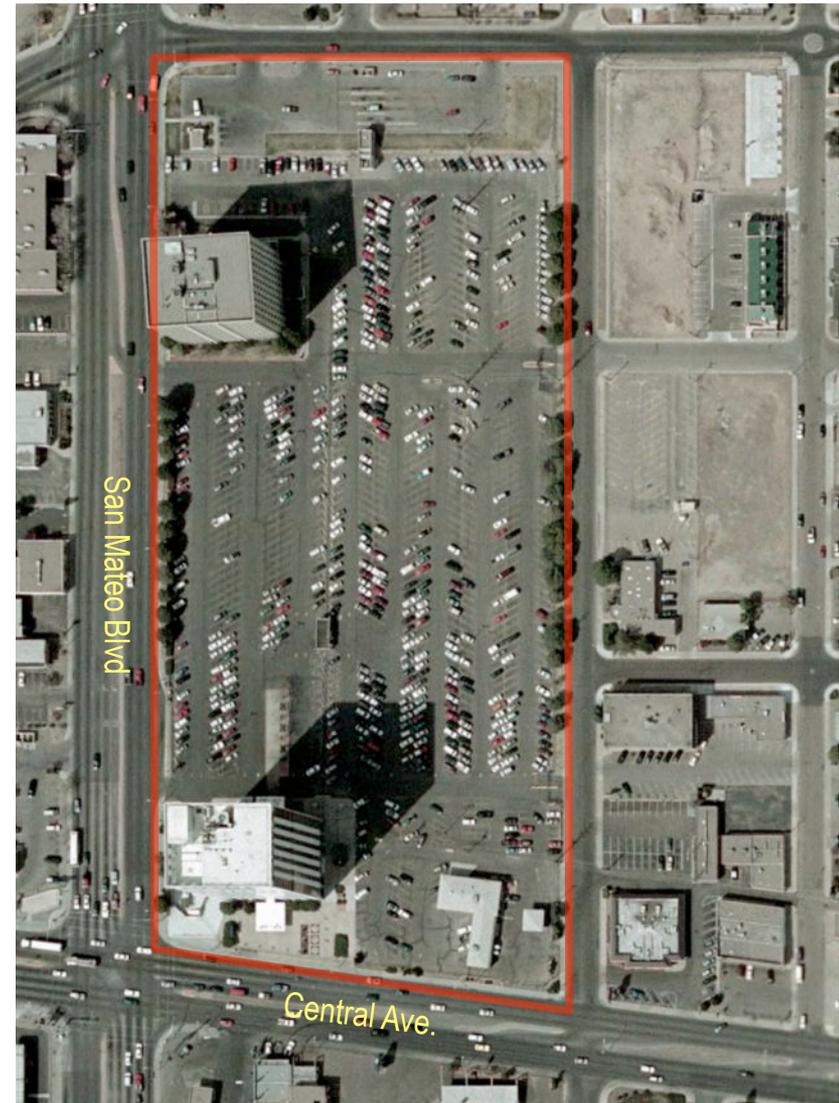
- ▶ **~860,000 LSF (1.04 m GSF equivalent) – \$12.6 m annual cost**
- ▶ **Mostly office type of use (98%)**
- ▶ **The majority of leased space is for functions that can be served from a central location ... about 1/2 of this space is currently at one site**

Leased Square Feet by Type in the Albuquerque Metro Area



Bank of the West

- ✓ The Bank of the West site (Central and San Mateo) accounts for ~20% of the total Albuquerque Metro area leased square feet and cost
 - ▶ *\$2.5 million annual lease cost*
 - ▶ *187,000 lsf, ~ 11 acres*
- ✓ 50% of the functions can serve the public from a central location are at this site



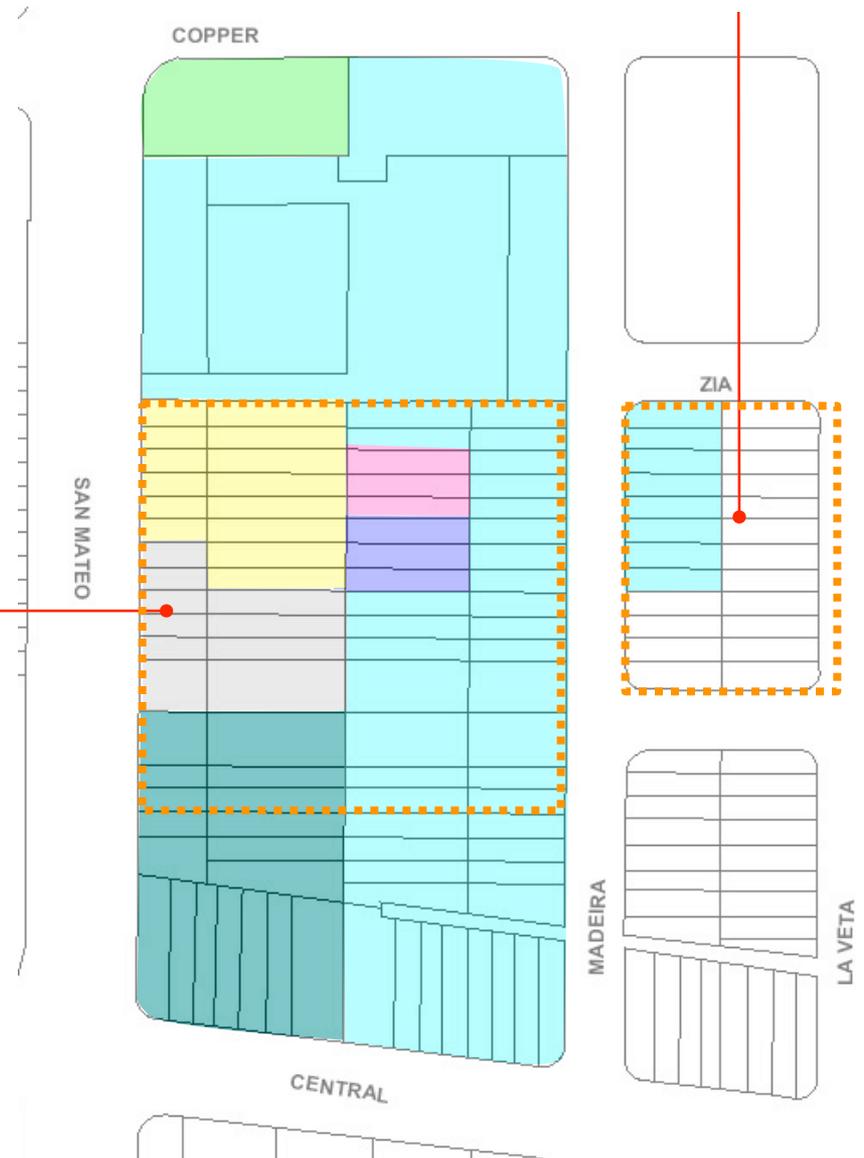
Bank of the West

✓ Land Ownership

- ▶ *Each color indicates a different owner*

Some parcels are leased by owners

Possible additional land in this area



Bank of the West

- ✓ **Site has about 290,000 sf**
 - ▶ *State leases about 60% of available space currently*
- ✓ **Property is for sale – \$30 million asking price**
- ✓ **Purchase of the site presents an opportunity to continue to consolidate state functions in a central location as well as to decrease annual lease costs**

Bank of the West

✓ Due Diligence Questions

- ▶ *Are there any issues associated with the physical condition of the building systems?*
- ▶ *Are there building code or other compliance issues?*
- ▶ *What is the capacity of the site, facility and infrastructure systems to accommodate current and future state space requirements.*
- ▶ *What are the impacts of existing leases on potential state occupancy?*
- ▶ *Does the configuration of the building and site provide flexibility to accommodate general functional requirements of state agencies?*

Bank of the West

✓ Bank of the West Due Diligence Process

- ▶ *Collect and review relevant existing information (including previous reports, space files, schedule files, site plans and appropriate building plans) from building owner representatives*
- ▶ *Evaluate physical condition and potential code issues based on tours, discussions with owner representatives and document analysis*
- ▶ *Explore suitability of use by matching existing and projected state administrative space needs to floor space available in existing facilities, parking availability and potential for expansion of the site*
- ▶ *Analyze lease terms of land parcels and existing tenants to identify potential phasing impacts*
- ▶ *Identify preliminary estimates of probable cost of construction to occupy and address any potential upgrades to building systems that may be required*
- ▶ *Assess existing operating costs and compare them to the operating costs of other comparable facilities*
- ▶ *Prepare a report that summarizes the results of the study and recommendations*

Albuquerque Metropolitan Area

- ✓ **Most of the state-owned property were acquired for specific purposes**
- ✓ **There are some issues and opportunities**
 - ▶ ***State Government Center***
 - ▶ ***YDDC Site***
 - ▶ ***Los Lunas Hospital / Grasslands***

Albuquerque Metropolitan Area

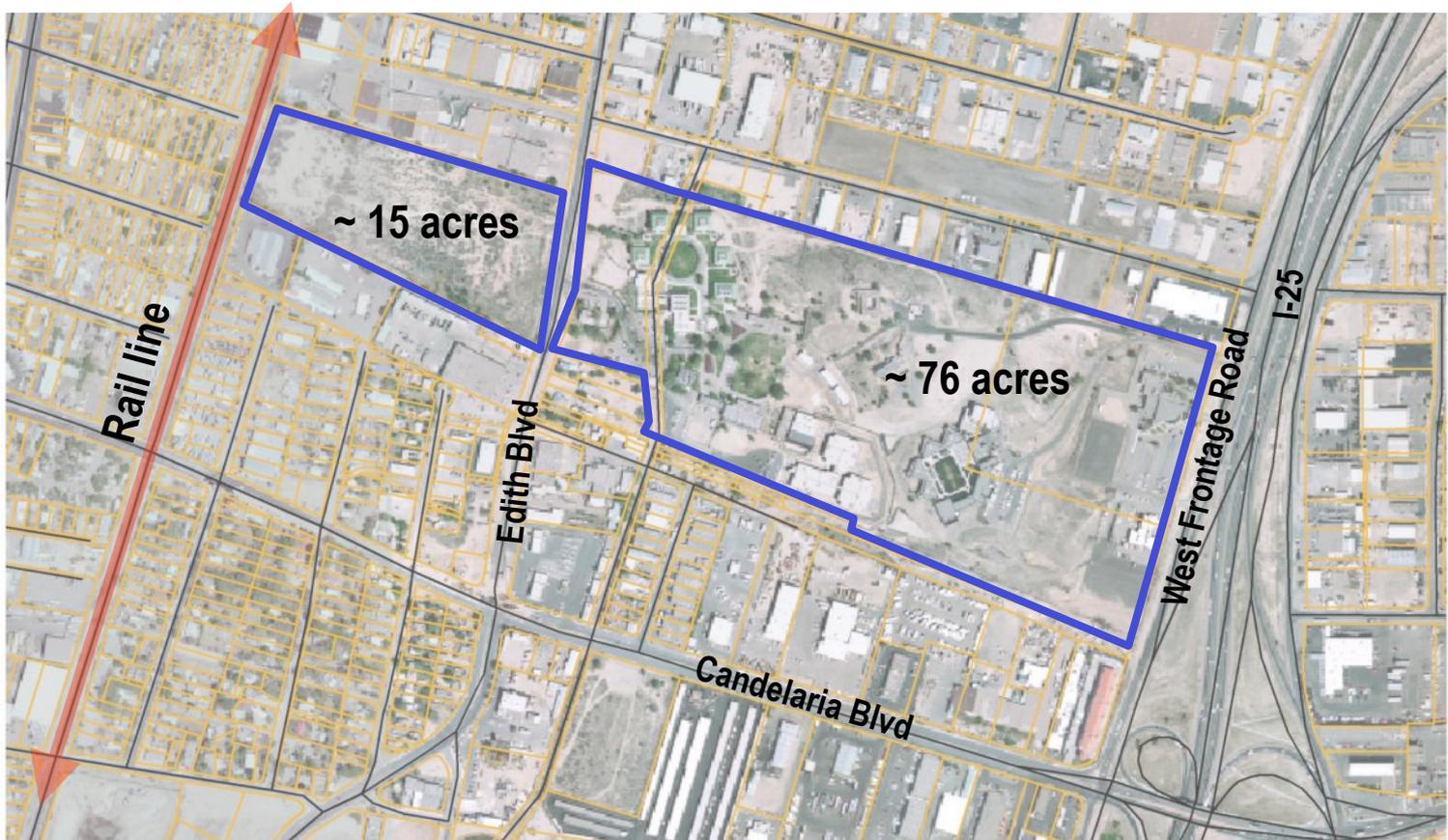
✓ State Government Center

- ▶ **Given to the state – former Metro Court**
 - 65,000 gsf, ~ 1.0 acres, 31 parking spaces
- ▶ **Pros**
 - Prime location - Near courts and local government offices
 - Excellent access (cars, buses, rail)
- ▶ **Cons**
 - Lacks parking (but structured parking could be added or leased nearby)
 - Requires major upgrades to make ready for tenants
- ▶ **Thoughts**
 - Not a facility that the state would have likely purchased
 - State should commit resources for renovation (\$7m requested) or consider divesting (sell or trade)



Super Block Complex (YDDC site)

✓ Site: ~91 acres



Super Block Complex (YDDC)

✓ Collected information about the site and surroundings:

- ▶ *Zoning and land use*
- ▶ *Ownership of surrounding parcels*
- ▶ *Utilities services*
- ▶ *Topography*
- ▶ *Facility condition*
- ▶ *Current occupants*

Super Block Complex (YDDC)

✓ Multiple Users

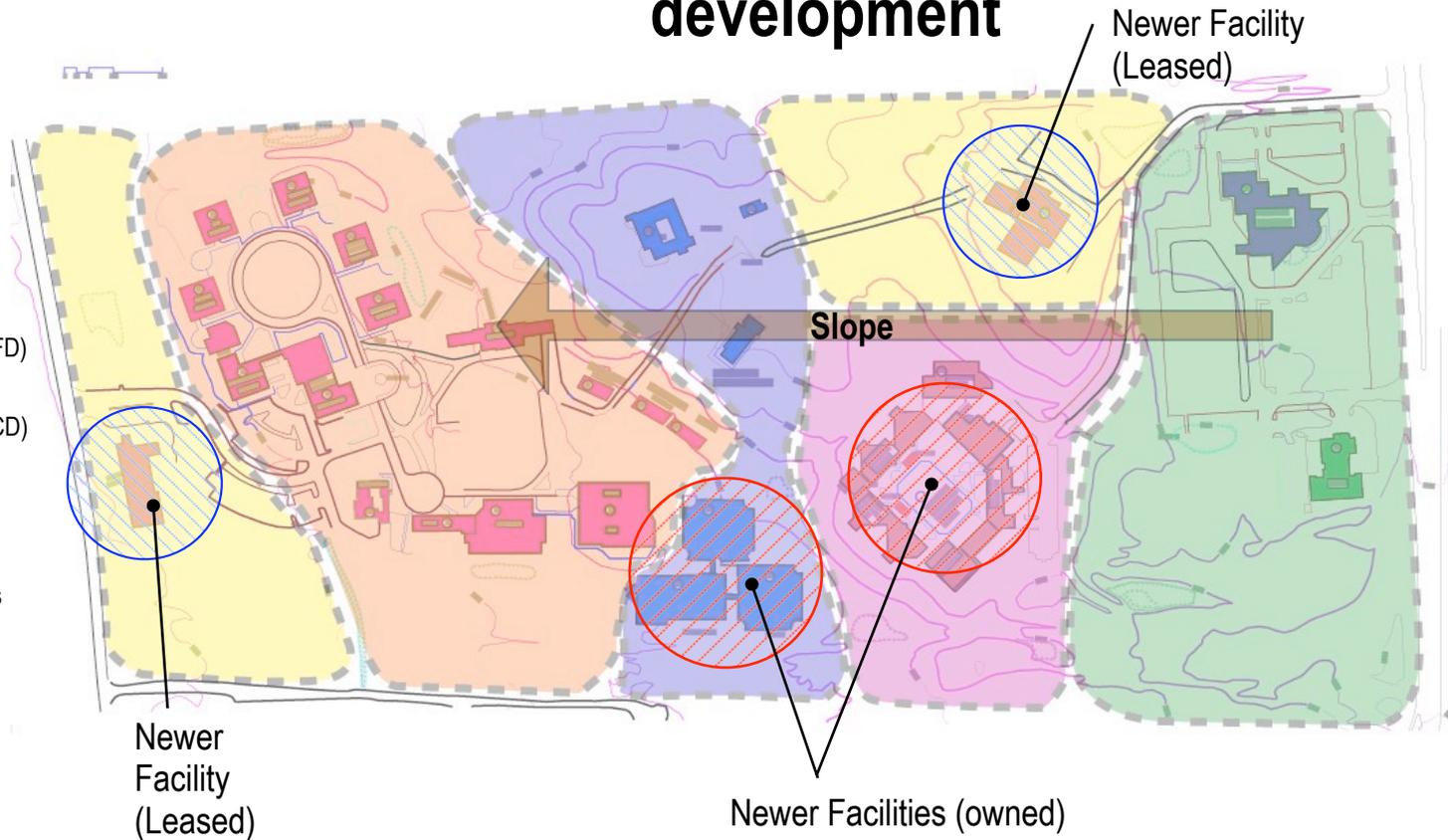
- ▶ *CYFD, DOH, DOT, NMCD*
- ▶ *Site use zones*

✓ Site use facilities vary in age and condition

✓ Significant slope affect development

Use Zone Legend

	Youth reintegration (CYFD)
	Youth detention (CYFD)
	Adult detention (NMCD)
	Youth psychiatric treatment (DOH)
	Administrative offices (CYFD & DOT)

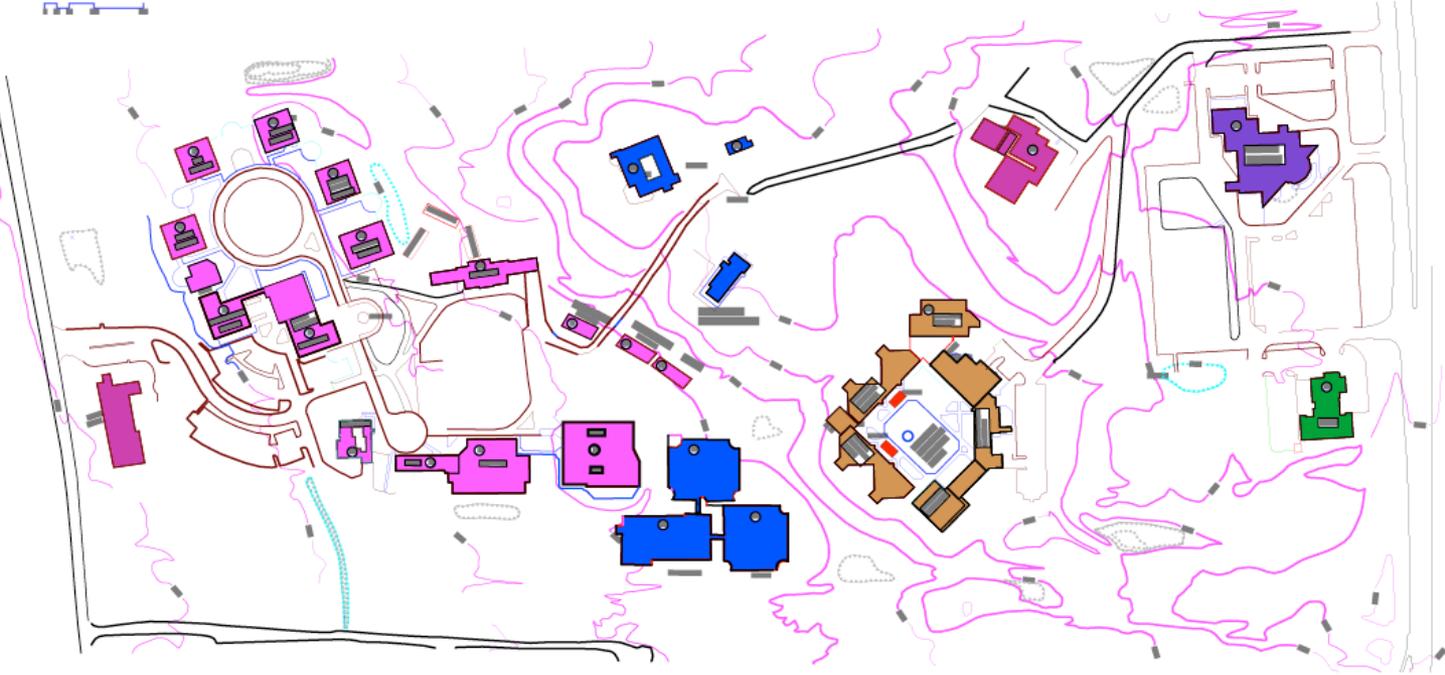


Super Block Complex

✓ Site tenants

Tenant Legend

-  CYFD - admin. offices
-  CYFD - Boys and Girls reintegration centers
-  CYFD - YDDC complex
-  Corrections - detention facilities
-  DOH - Sequoyah psychiatric treatment facility
-  DOT - admin. offices

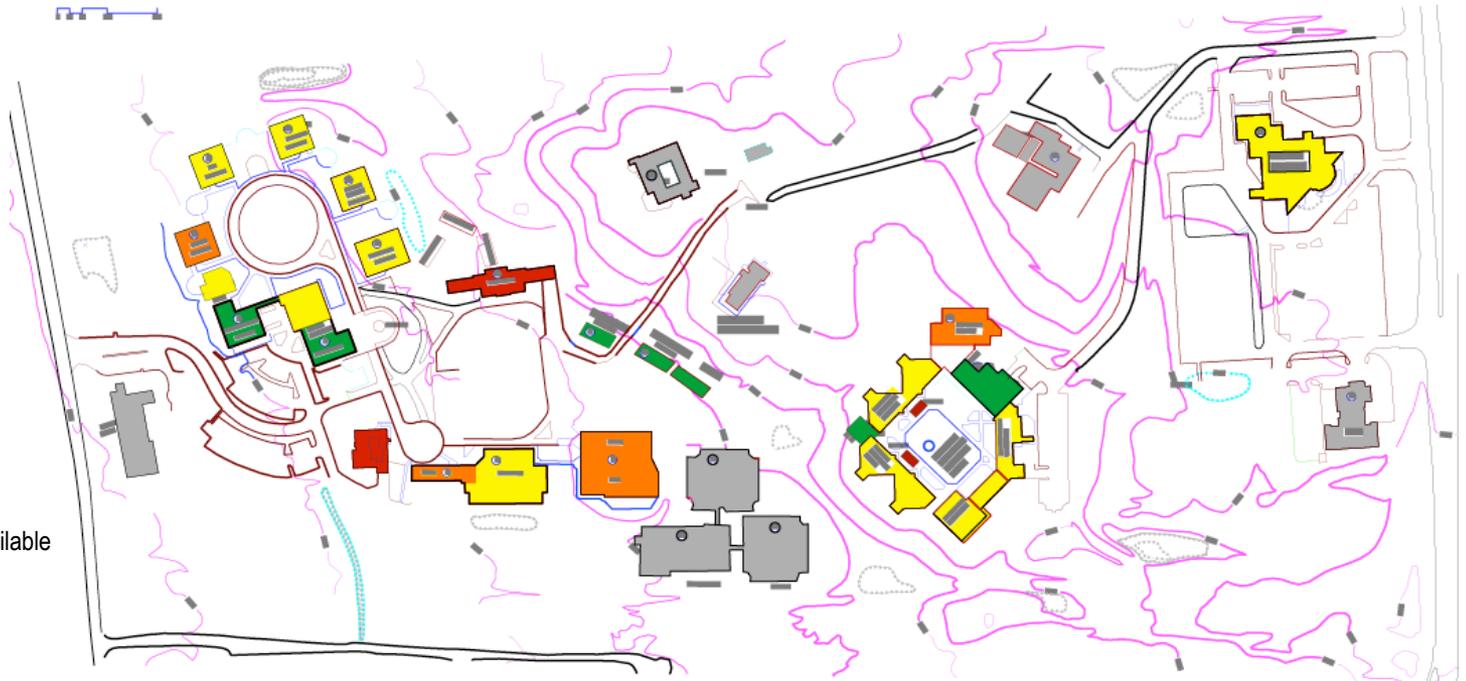


Super Block Complex (YDDC)

✓ Building condition

Condition Legend

	Good
	Fair
	Poor
	Demolish
	Information not available

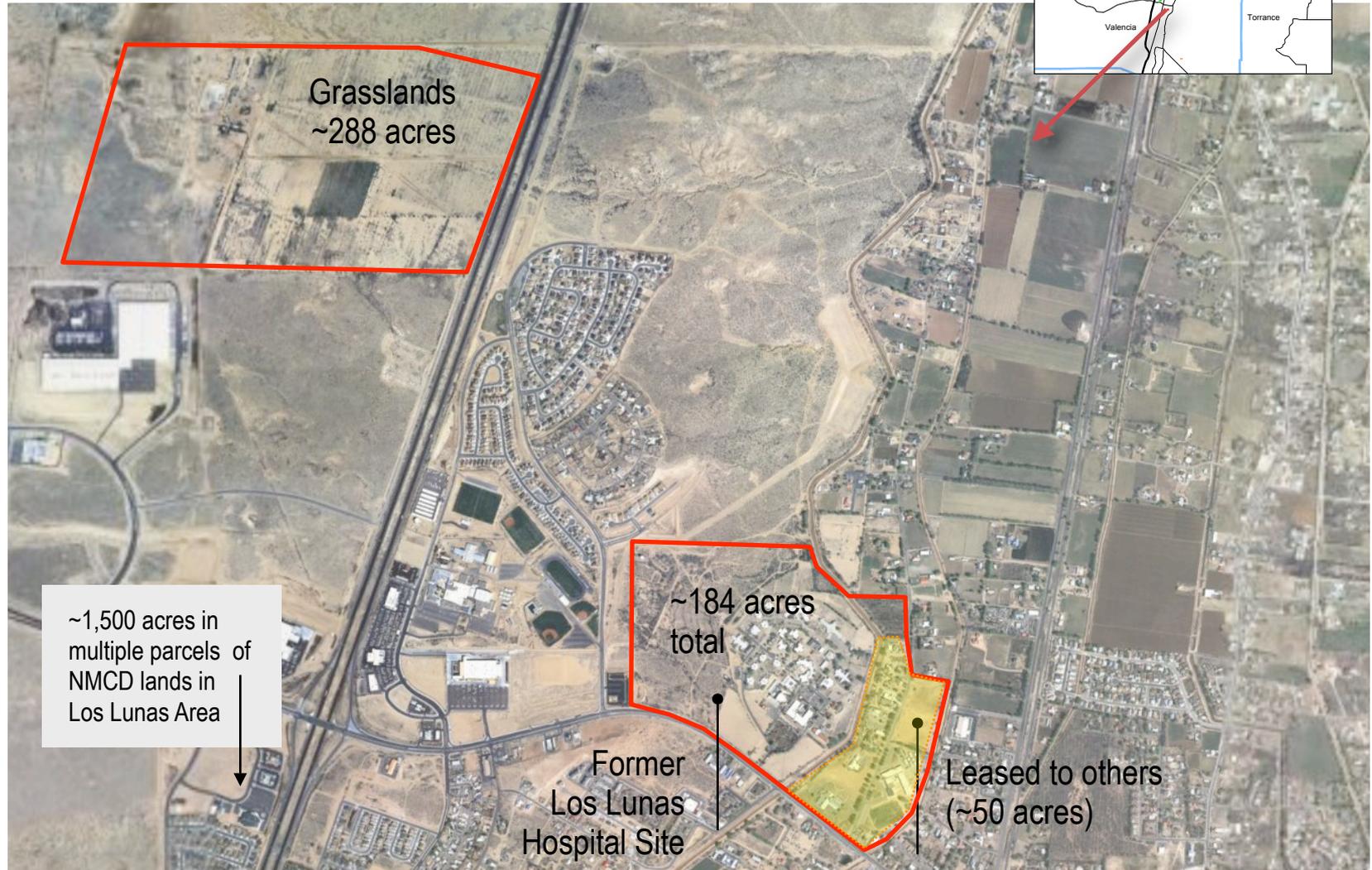
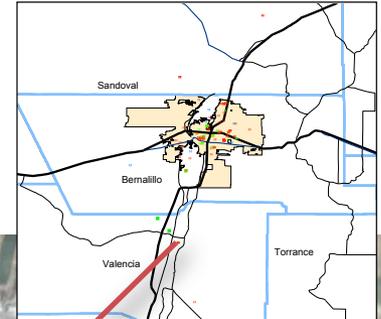


Albuquerque Metropolitan Area

✓ Super Block Complex (YDDC)

- ▶ **262,000 gsf – ~91 acres**
- ▶ **Generally occupied by specialized (correctional/treatment) facilities**
- ▶ **Pros**
 - *Prime location ... excellent freeway visibility and access, near rail line (but not a proposed station)*
 - *Some development potential (~15 acres of land available west of Edith Boulevard and redevelopment of ~10 acres on eastern part of site on frontage road)*
- ▶ **Cons**
 - *Significant deficiencies identified (\$25 m with a \$54 m replacement cost for YDDC [46%], \$1.8 m with a \$9.9 replacement cost for Sequoyah [19%])*
- ▶ **Thoughts**
 - *Correctional/treatment is probably not the best long-term land use ... consider as a site for long-term redevelopment*

Albuquerque Metropolitan Area



Los Lunas Sites

✓ Collected information about the site and surroundings:

- ▶ *Zoning and land use*
- ▶ *Ownership of surrounding parcels*
- ▶ *Utilities services (partial)*
- ▶ *Topography*
- ▶ *Facility condition*
- ▶ *Current occupants*
- ▶ *Additional state land ownership in the area*

Los Lunas Sites

✓ Old Los Lunas Hospital Site Users



Los Lunas Sites

✓ State land ownership in vicinity

Grasslands (~288 acres)

Former Los Lunas Hospital Site (~185 acres)

Leased (~50 acres)

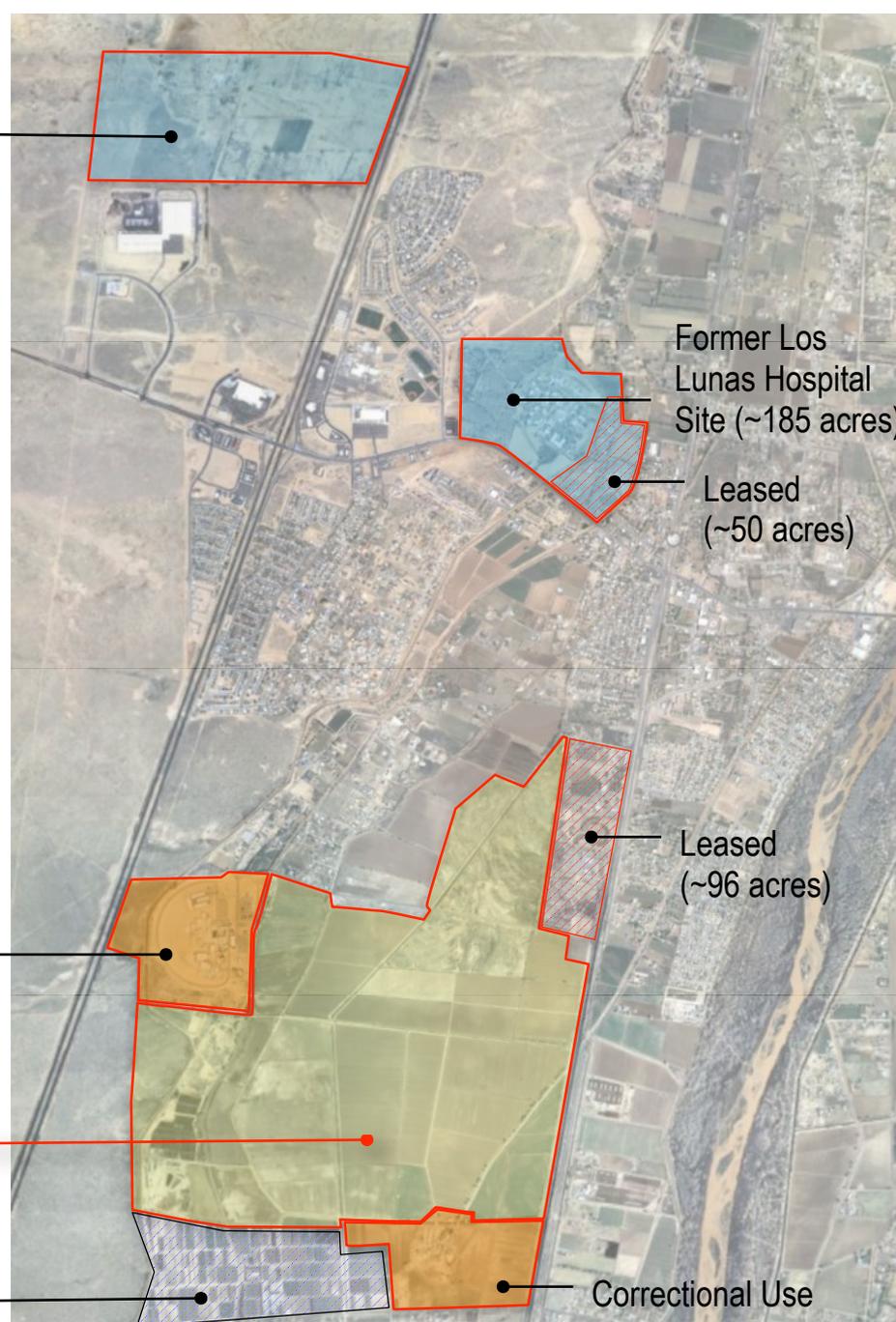
Leased (~96 acres)

Correctional Use

State Owned - NMCD Land (~1200 acres)

NMSU Agricultural Science Center

Correctional Use



Albuquerque Metropolitan Area

✓ Los Lunas Sites

- ▶ **325,500 gsf – ~184 acres former hospital site, plus nearby 280 acres “grasslands” site and ~1,000 acres of vacant NMCD property**
- ▶ **Former hospital site ... now being used by a variety of state, county, village and school uses ... but majority of square footage is vacant**
- ▶ **Pros**
 - *Significant land asset ... located in a growing area*
 - *Excellent access ... freeway access ... near a Rail Runner stop*
- ▶ **Cons**
 - *Significant facility deficiencies and vacant buildings (\$51.6 million identified with a \$68.5 replacement cost [74%])*
- ▶ **Thoughts**
 - *Redevelop Hospital site to serve state agencies in Valencia County. Explore land sales, long-term land lease, and private development options*
 - *Keep grasslands site to meet potential long-term state development needs*
 - *Explore long-term relocation of a portion of YDDC site uses to this area*

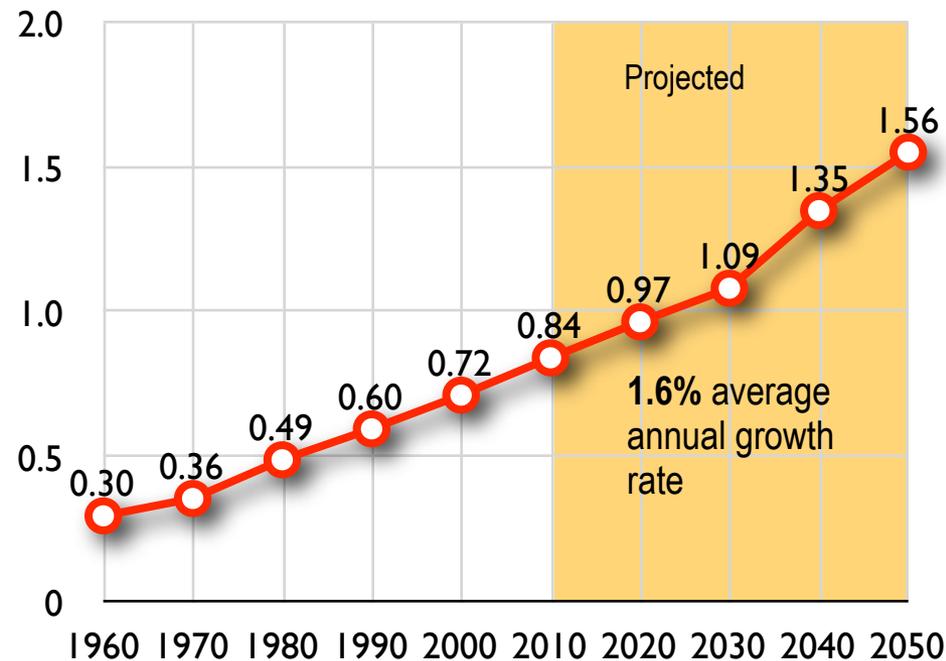
Path Forward

- ✓ **Both the Super Block (YDCC) and Los Lunas sites have great long-term development potential**
- ✓ **Developing an overview of opportunities and constraints is relatively easy – further planning requires more in depth analysis including:**
 - ▶ *formal discussions with multiple cabinet agencies regarding current and future needs*
 - ▶ *detailed site and building investigations*
- ✓ **Request direction whether we should proceed with these studies (may require additional funding) or initiate a study under a separate contract**

Albuquerque Metropolitan Area

- ✓ Region is expected to continue to grow ... population and geographically – implication is continued growth of state facilities

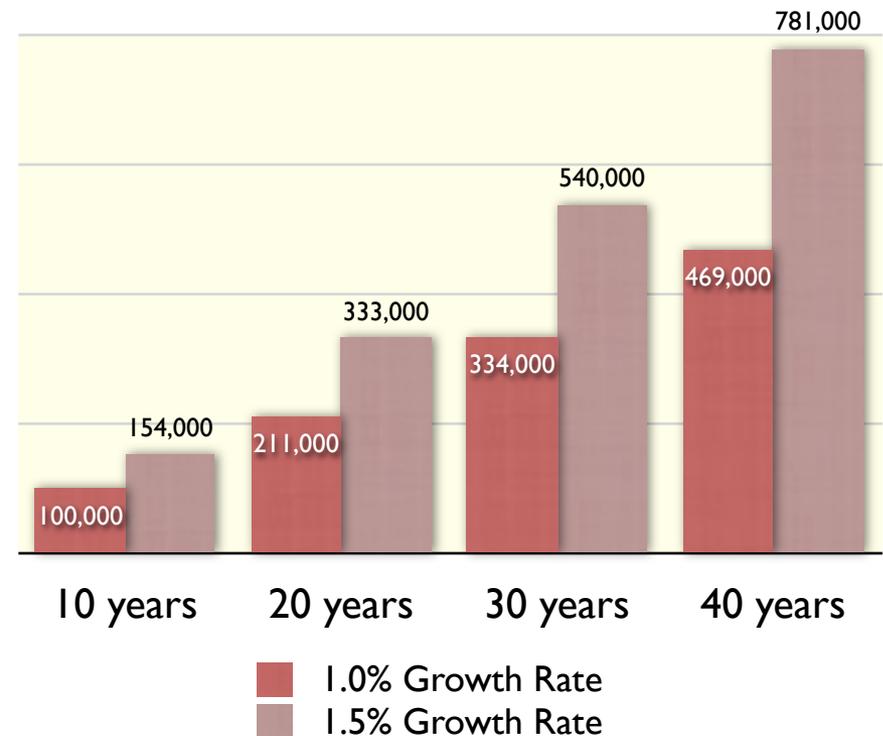
Albuquerque MSA Population
(millions of people)



Albuquerque Metropolitan Area

✓ The need for state office space will double in 40 years assuming a 1.5% annual growth rate

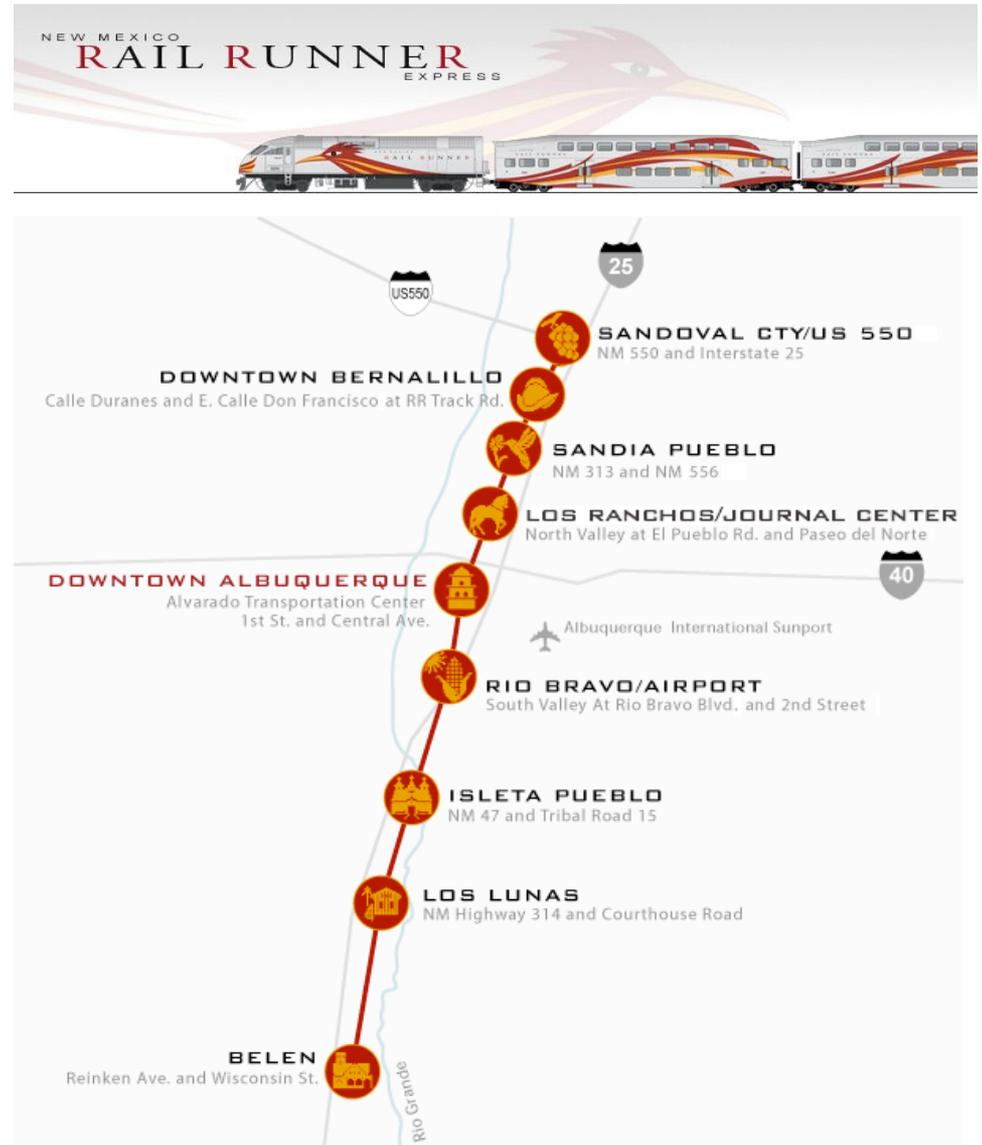
Additional Office Space Needed in Albuquerque Metro Area – GSF Equivalent



Note: The state currently leases about 960,000 gsf (equivalent) of office space in the Albuquerque area (does not include office needs associated with specialized uses)

Albuquerque Metropolitan Area

- ✓ **New Mexico Rail Runner will provide enhanced accessibility between metro areas and from the metro area to Santa Fe**



Albuquerque Metropolitan Area

✓ General Goals

- ▶ **Co-locate state agencies to achieve functional, operational and logistical efficiency and allow one-stop-shopping for services by the public.**
 - *The overall intent is to foster “synergy” for a group of services that is greater than the sum of the collective parts*
- ▶ **Realize economic efficiencies**
 - *Promote economies of scale and asset sharing (e.g., parking, lobbies, receiving, meeting areas, tele-conferencing, etc.)*
 - *Reduce recurring state expenditures for long-term leases*
 - *Reduce operational expenses*
 - *Provide long-term asset value*

Albuquerque Metropolitan Area

- ✓ **There are opportunities to improve customer access and economic efficiencies**
 - ▶ ***State campus(es)***
 - *Functions that can serve the public at central site*
 - *Functions that should be distributed*
 - ▶ ***General requirements***
 - *Access / parking – automobile, bus, train*
 - *High Visibility*
 - *Distributed functions should be located near concentrations of user populations (generally low income customers, e.g. HSD, CYFD, DOH) and can include MVD express offices)*

Albuquerque Metropolitan Area

- ✓ Explore developing state campuses via
 - ▶ *Purchase of existing buildings*
 - ▶ *Lease - purchase*
 - ▶ *Direct state capital development*

